

## **APPENDIX A**

### **RISK SERVICES- INTERNAL AUDIT**

#### **PROGRESS WITH IMPLEMENTING INTERNAL AUDIT RECOMMENDATIONS**

At the conclusion of each audit recommendations are made where necessary to improve the control environment and /or manage the level of risk involved. Recommendations are classified threefold as follows:

##### **Fundamental –**

A recommendation, often requiring immediate action that is key to maintaining an appropriate control environment and thereby avoiding exposure to a significant risk to the achievement of the objectives of the system, process or location under review. Any single fundamental recommendation leads to a Limited Assurance opinion.

##### **Significant –**

A recommendation requiring action that is necessary to improve the control environment and thereby avoid exposure to a risk to the achievement of the objectives of the system, process or location under review. More than 4 significant recommendation leads to a Limited Assurance opinion.

##### **Merits Attention –**

A recommendation where action is advised to enhance control or improve operational efficiency.

Service Directors / Heads of Service are asked to agree recommendations contained within an Action Plan and identify an owner to oversee implementation by a specific date.

To date, assurance that this has happened has been obtained from follow up audits arising from any audit resulting in a Limited Assurance opinion; updates on recommendations made in other audits typically have had to wait for the next cyclical audit. A greater focus on the overall position has been driven more recently by the requirements of the revised internal audit professional standards that applied from April 2025 and further development of the corporate risk management process, whereby implementation of agreed audit recommendations, especially key ones, is a very important part of managing down the residual degree of risk in a system, process or activity.

**Status of all planned 2024/25 audits with Key Recommendations agreed and due for completion by 31 March 2025**

	Fundamental				Significant			
<u>Directorate</u>	Completion Due	Complete	Partially Complete	No action /reply	Completion Due	Complete	Partially Complete	No action
<b>Adults &amp; Health</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>19</b>	<b>12</b>	<b>7</b>	<b>0</b>
Carephones	1	0	1	0	8	7	1	0
Domiciliary Care Payments					2	1	1	0
Assessment of Care	0	0	0	0	4	4	0	0
Gateway to Care	0	0	0	0	5	0	5	0

	Fundamental				Significant			
<u>Directorate</u>	Completion Due	Complete	Partially Complete	No action /reply	Completion Due	Complete	Partially Complete	No action
<b>Children &amp; Families</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>38</b>	<b>16</b>	<b>21</b>	<b>1</b>
Regional Adoption Agency					1	0	1	0
Leaving Care					6	4	2	0
Direct Payments					16	4	11	1
Foster Care IFAs					1	1	0	0
School Admissions					2	2	0	0
School Exclusions					3	0	3	0
EHCP Team	1	0	1	0	9	5	4	0

	Fundamental				Significant			
<u>Directorate</u>	Completion Due	Complete	Partially Complete	No action	Completion Due	Complete	Partially Complete	No action
<b>Public Health &amp; Corporate Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>16</b>	<b>2</b>	<b>0</b>
e-tendering					1	1	0	0
Agency Labour					4	4	0	0
Members' Code of Conduct & Allowances					3	3	0	0
Accounts Payable					4	4	0	0
Bank Reconciliation					3	1	2	0
Election Payments					3	3	0	0

	Fundamental				Significant			
<u>Directorate</u>	Completion Due	Complete	Partially Complete	No action	Completion Due	Complete	Partially Complete	No action
<b>Place</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>21</b>	<b>0</b>	<b>2</b>
Gas Servicing					1	1	0	0
Tenancy Allocation	1	1	0	0	11	9	0	2
Fire Risk Management					4	4	0	0
Waste Management Contract					4	4	0	0
Highways Structures					1	1	0	0
Fuel Procurement & Control					2	2	0	0
<b>Total – all Directorates</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>98</b>	<b>65</b>	<b>30</b>	<b>3</b>
<b>% Total</b>		<b>33</b>	<b>67</b>	<b>0</b>		<b>66</b>	<b>31</b>	<b>3</b>

Only three **Fundamental** recommendations made during the year were due to have been implemented by 31 March. Management have confirmed one has been actioned but two remain incomplete (albeit in these 2 areas, actions have been taken to mitigate the risks and address elements of the fundamental recommendation). Management have also confirmed that **66% of Significant** recommendations have been actioned and all but 3 of the remainder have been progressed in some way.

## **Incomplete Recommendations Detail**

### **Children & Families**

**Regional Adoption Agency** – One significant recommendation remains outstanding but has been partially completed. This relates to contract management.

**Direct Payments** – There have been slight delays in the completion of recommendations. These should now be completed in the first half of 25/26 with most of the completed items being presented for sign off at C&F May SLT. One recommendation on the review of payroll companies is dependant on work being completed alongside the adult direct payments audit which was completed a quarter after this audit.

**Leaving Care** – Two recommendations which relate to the financial processes for petty cash sign off have not yet been implemented. These are due to be addressed during the first half of 2025/26.

**School Exclusions** – There are 4 significant recommendations that are partially completed however there has been a large amount of change in how the team operates. The recommendations that are outstanding relate to improvements in contract management and data collection, dissemination and analysis as well as a need for a review of the Fair Access Panel which is currently underway. There was a delay in the tender process which means that contract management is not fully embedded however there is someone in role and this has now begun.

**EHCP Team** – Narrative to this is in the body of the Q4 report.

### **Adults & Health**

#### **Carephones**

The fundamental point will be looked at as part of the Rethink exercise which is looking at all current arrangements. In the interim mitigations are in place that reduce this to significant classification. Due to delays in the Mosaic system implementation, the remaining (partially completed) recommendation will be addressed in 2025/26.

### **Domiciliary Care Payments**

This outstanding significant recommendation is due to the resource capacity required to complete it. An audit has been scheduled to look at brokerage which will encompass some of this.

The partially completed recommendation has been Incorporated into the transformational savings project which is due for completion by Sept-25.

### **Gateway to Care**

Implementation, to the extent possible/practical, will be undertaken follow the merger with Kirklees Direct.

### **Public Health & Corporate Resources**

Service management have confirmed all have been implemented, apart from two relating to Bank Reconciliation where minor retrospective record corrections are required, which will be completed by the end of Q2 2025/26.

### **Place**

Service management have confirmed all recommendations have been actioned, apart from those regarding Tenancy Allocation awaiting the implementation of CX.