



**SOUTHAMPTON**  
CITY COUNCIL

## **Internal Audit Progress Report**

16<sup>th</sup> November 2021

Elizabeth Goodwin, Chief Internal Auditor

## 1. Introduction

Internal Audit is a statutory function for all local authorities.

The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015 as to:

*Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*

The standards for 'proper practices' are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2016].

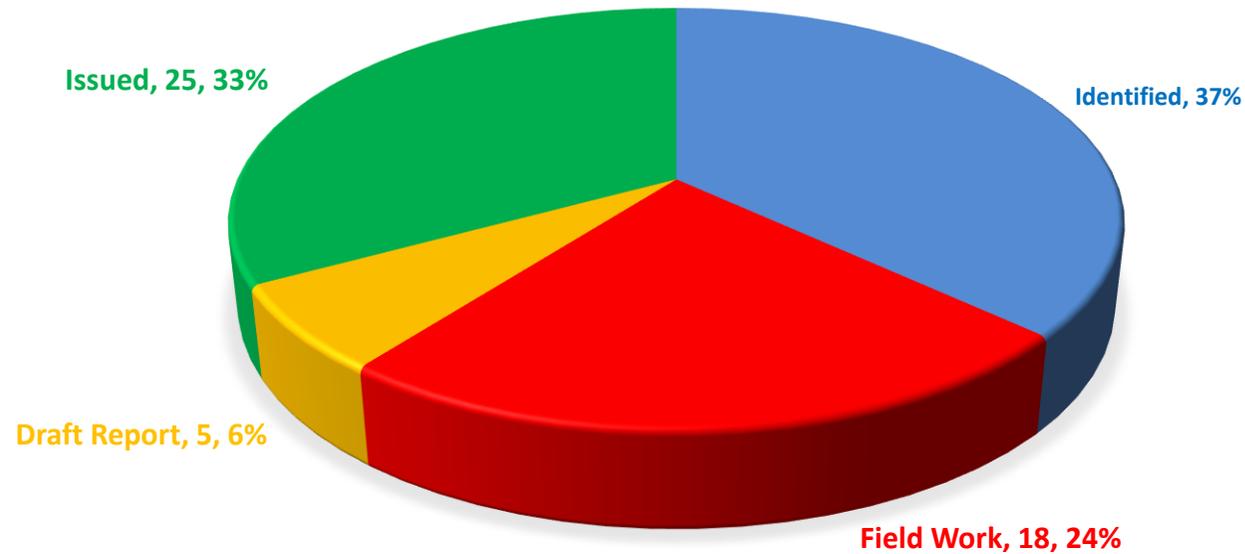
Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes

This report includes the status against the 2021/22 internal audit plan. In summary 39% of the 2021/22 plan has been concluded or are in progress. All items yet to be fully completed will be finalised by the end of the financial year to enable an annual opinion to be given.

Internal Audit has been involved in supporting the organisation during the COVID-19 pandemic, either by performing additional work or due to staff redeployment. The details and results are included in this report for information.

There are currently no 'no assurance' reports or critical exceptions contained in this report for this period. All items completed since the last committee attendance are detailed at a summary level in this report. This includes, full audits, follow up work and grant work completed.

## 2. Audit Plan Progress as of 29<sup>th</sup> October 2021



There are a total of 77 reviews in the 2021/22 Audit Plan.

To date, 49 (64%) have been completed or are in progress as at 29<sup>th</sup> October 2021. This represents 26 (34%) audits where the report has been finalised, 5 (7%) where the report is in draft and 18 (23%) audits currently in progress.

| Status       | Audits    |
|--------------|-----------|
| Identified   | 28        |
| Fieldwork    | 18        |
| Draft Report | 5         |
| Final Report | 26        |
| <b>Total</b> | <b>77</b> |

### 3. Ongoing Internal Audit Involvement

Internal Audit has undertaken work or provided advice in the following areas. (For reference, advice is only recorded when the time taken to provide the advice exceeds one hour):

- 5 Items of advice
- Anti-Money Laundering - This includes receipt of instances of large cash payments received and onward reporting if deemed appropriate.
- National Fraud Initiative (NFI) to facilitate national data matching carried out by the Cabinet Office. There has been two additional NFI exercises in relation to COVID-19, these relate to mortality and business grants.
- COVID-19 Assurance reporting and grant verification.
- Audit Planning and Consultation - This includes periodical consultation with Directors and revision of the plan following subsequent research into individual assignments.
- Routine advice on controls and risk management.
- Investigations which are in various stages. A more detailed report of concluded investigations will form part of the annual fraud report which will be presented to the Governance Committee in due course.

Over the course of this financial year, Internal Audit has also been involved in supporting the organisation in maintaining critical activities during COVID-19, this has included redeployment of some staff and undertaking ad-hoc control and risk management assessments in order for the organisation to flex its governance framework.

## 4. Audit Plan Status/Changes

At the beginning of last year when the country went into lockdown and only critical council services were maintained, a number of officers in the Audit service were redeployed. Since then an officer has remained redeployed to SCC Test and Trace service as well as providing assistance and ongoing support to the Council in settling the Afghan refugees who are currently based in Southampton. In addition, there has been a significant increase in the number of grant verifications and fraud work required in this financial year which contributes to the overall review of SCC internal control framework.

The Audit Plan has been more flexible this year to take into account the additional work noted above. Since the last reporting period the following should be noted; **Additions, removals and amendments to the 2021/22 Audit Plan:**

- Addition – Direct Payments (Childrens)
- Addition – Deferred Payments (Adult Social Care) – added at the request of the Executive Director.
- Addition – Ridge Review (Project Progress)
- Addition – Homelessness Prevention Grant – new grant
- Addition – Rough Sleeping Initiative Q1 2021-22 & Rough Sleeping Uplift – new grant.
- Addition – Culture Recovery Grant – new grant.
- Addition - Emergency Active Travel Fund – new grant.
- Addition – EU Perinatal Mental Health Grant Spot Check – added as required spot check to be undertaken.
- Removal – Electric Vehicle Charging Points Contract – Second follow-up already performed.
- Removal – Voids – New process not likely to be fully implemented and effective this financial year so deferred to 2022/23.
- Removal – Adaptions – Scope already covered by Disabled Facilities Grant.
- Removal – Asbestos – to accommodate the Ridge Review audit.
- Removal – Health & Safety – to accommodate the Ridge Review audit.
- Removal – Third Party Contract (British Gas) – removed to accommodate extra work.
- Removal – Early Help & Youth Justice – removed to accommodate extra work.
- Removal – Residential Unit – removed to accommodate extra work.
- Removal – Registration Services – removed to accommodate extra work.
- Removal – Test & Trace PH Service Support Grant 2021 (No 31/5075) – sign-off not required until June 2022.
- Amendment – Schools determined for audits are: St Patricks Primary, Mansbridge Primary, Shirley Warrant Primary and Woodlands Secondary.
- Amendment – Water Quality was recorded as a full audit but a follow-up was performed.

## 5. Areas of Concern

There are no 'no assurance' opinion audits being reported on this period, all other findings are noted below.

## 6. Assurance Levels

Internal Audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives for the area under review.

| Assurance Level             | Description / Examples  |
|-----------------------------|---|
| <b>Assurance</b>            | <i>No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority</i>               |
| <b>Reasonable Assurance</b> | <i>Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority</i>  |
| <b>Limited Assurance</b>    | <i>Control weaknesses or risks were identified which pose a more significant risk to the Authority</i>  |
| <b>No Assurance</b>         | <i>Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit</i> |
| <b>NAT</b>                  | <i>No areas tested</i>  |

*Audits rated No Assurance are specifically highlighted to the Governance Committee along with any Director's comments. The Committee is able to request any director attends a meeting to discuss the issues.*

## 7. Exception Risk Ranking

The following table outline the exceptions raised in audit reports, reported in priority order and are broadly equivalent to those previously used.

| Priority Level                | Description  |
|-------------------------------|--|
| <b>Low Risk (Improvement)</b> | <i>Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.</i>  |
| <b>Medium Risk</b>            | <i>These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.</i>  |
| <b>High Risk</b>              | <i>Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not 'show stopping' but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.</i> |
| <b>Critical Risk</b>          | <i>Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the Council's objectives in relation to: The efficient and effective use of resources, The safeguarding of assets, The preparation of reliable financial and operational information, Compliance with laws and regulations and corrective action needs to be taken immediately.</i>                                     |

*Any critical exceptions found the will be reported in their entirety to the Governance Committee along with Director's comments*

## 8. 2021/22 Audits completed to 29<sup>th</sup> October 2021

### Partnership for South Hampshire (PFSH)

#### Exceptions Raised

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 0    | 0      | 0   |

#### Overall Assurance Level

|                  |
|------------------|
| <b>Assurance</b> |
|------------------|

#### Assurance Level by Scope Area

|  |                  |
|--|------------------|
| Achievement of Strategic Objectives          | No Areas Tested  |
| Compliance with Policies, Laws & Regulations | <b>Assurance</b> |
| Safeguarding of Assets                       | No Areas Tested  |
| Effectiveness and Efficiency of Operations   | <b>Assurance</b> |
| Reliability and Integrity of Data            | <b>Assurance</b> |

Overall based on testing conducted, Internal Audit can give assurance that adequate financial systems and controls are in place for the administration of the PFSH accounts.

### School's Financial Value Standards (SFVS)

#### Exceptions Raised

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 0    | 1      | 0   |

#### Overall Assurance Level

|                   |
|-------------------|
| <b>Reasonable</b> |
|-------------------|

#### Assurance Level by Scope Area

|  |                   |
|--|-------------------|
| Achievement of Strategic Objectives          | No Areas Tested   |
| Compliance with Policies, Laws & Regulations | No Areas Tested   |
| Safeguarding of Assets                       | No Areas Tested   |
| Effectiveness and Efficiency of Operations   | <b>Assurance</b>  |
| Reliability and Integrity of Data            | <b>Reasonable</b> |

The medium risk relates to inaccurate SFVS responses including two schools having less than 6 Governor meetings, one school not keeping a written log of fraud or theft detected but did document the investigation and two schools did not have a 3-5 year staffing plan.

**Teams 365 & Home Working**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 0    | 1      | 0   |

**Overall Assurance Level**

|                   |
|-------------------|
| <b>Reasonable</b> |
|-------------------|

**Assurance Level by Scope Area**

|  |                        |
|--|------------------------|
| Achievement of Strategic Objectives          | <b>Assurance</b>       |
| Compliance with Policies, Laws & Regulations | <b>Reasonable</b>      |
| Safeguarding of Assets                       | <b>Assurance</b>       |
| Effectiveness and Efficiency of Operations   | <b>Assurance</b>       |
| Reliability and Integrity of Data            | <b>No Areas Tested</b> |

The medium risk relates to testing establishing, during a review of the training material available, that there was no evidence of corporate guidance on how the authority intend teams to be used or best practice documentation advising of the permissible uses on teams. It was not clear how it should be used as communication software, whether sensitive information can be discussed, whether meetings can be recorded and what the impact the use of teams has on Data Protection, Freedom of Information and Subject Access Requests.

**Agency & Temps**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 1    | 1      | 0   |

**Overall Assurance Level**

|                   |
|-------------------|
| <b>Reasonable</b> |
|-------------------|

**Assurance Level by Scope Area**

|  |                        |
|--|------------------------|
| Achievement of Strategic Objectives          | <b>No Areas Tested</b> |
| Compliance with Policies, Laws & Regulations | <b>Limited</b>         |
| Safeguarding of Assets                       | <b>Assurance</b>       |
| Effectiveness and Efficiency of Operations   | <b>Reasonable</b>      |
| Reliability and Integrity of Data            | <b>No Areas Tested</b> |

The high risk relates to testing establishing insufficient candidate information recorded in C.Net5 (system used to request, review and select candidates). From 25 accounts sample tested, 6 could not be viewed due to a technical error, 3 right of work checks could not be evidenced, confirmation of relevant qualifications was not recorded and 5 lacked a satisfactory reference. The medium risk relates to 2/7 temporary staff members who had left the authority at the time of testing still had active outlook accounts.

**Website**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 0    | 2      | 1   |

**Overall Assurance Level**

|                   |
|-------------------|
| <b>Reasonable</b> |
|-------------------|

**Assurance Level by Scope Area**

|  |                        |
|--|------------------------|
| Achievement of Strategic Objectives          | <b>Assurance</b>       |
| Compliance with Policies, Laws & Regulations | <b>Reasonable</b>      |
| Safeguarding of Assets                       | <b>No Areas Tested</b> |
| Effectiveness and Efficiency of Operations   | <b>Assurance</b>       |
| Reliability and Integrity of Data            | <b>No Areas Tested</b> |

The first medium risk relates to there being no ‘holistic’ work being carried out across SCC’s legal publishing obligations to ensure that SCC is fully compliant with its publishing requirements. The second medium risk relates to the website not being fully compliant with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 without a full plan in place to make the website fully accessible. The low risk relates to embedding the Project Management Online system including issues with highlight reporting and risk management.

**Data Sharing Agreements**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 2    | 1      | 0   |

**Overall Assurance Level**

|                   |
|-------------------|
| <b>Reasonable</b> |
|-------------------|

**Assurance Level by Scope Area**

|  |                        |
|--|------------------------|
| Achievement of Strategic Objectives          | <b>No Areas Tested</b> |
| Compliance with Policies, Laws & Regulations | <b>Reasonable</b>      |
| Safeguarding of Assets                       | <b>No Areas Tested</b> |
| Effectiveness and Efficiency of Operations   | <b>Reasonable</b>      |
| Reliability and Integrity of Data            | <b>No Areas Tested</b> |

The first high risk relates to 6/16 Information Asset Owners (IAOs) having not completed the Data Protection Training Module within the last two years, IAOs are responsible for addressing the security and risks of the information assets that they “own”. The second high risk relates to 3 (43%) of the 7 data sharing agreements reviewed not retaining a log of the information being shared. The medium risk relates to the Data Protection Impact Assessment becoming a requirement after four Data Sharing Agreements had been finalised meaning the opportunity to identify and minimise Data Protection risks may not have been formally completed or recorded.

**Information Governance**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 1    | 2      | 1   |

**Overall Assurance Level**

|                   |
|-------------------|
| <b>Reasonable</b> |
|-------------------|

**Assurance Level by Scope Area**

|  |                        |
|--|------------------------|
| Achievement of Strategic Objectives          | <b>Assurance</b>       |
| Compliance with Policies, Laws & Regulations | <b>Reasonable</b>      |
| Safeguarding of Assets                       | <b>No Areas Tested</b> |
| Effectiveness and Efficiency of Operations   | <b>Reasonable</b>      |
| Reliability and Integrity of Data            | <b>Reasonable</b>      |

The high risk relates to testing confirming only 65% of all staff have completed Information Governance training, it is understood that the system prompting staff members has had some issues which may be affecting figures. The first medium risk relates to 26 out of 255 Subject Access Requests (SARs) that had been completed after the deadline of one month as stipulated in guidance. The second medium risk relates to 119 (10.2%) of 1171 Freedom of Information (FOI) requests that had been completed after the deadline of 20 working days. The low risk relates to a number of incidents classified as 'Suspected Incidents' were closed without being reclassified as either 'Actual Incidents' or 'Data Protection Concerns'.

**St Patricks Primary School**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 1    | 3      | 0   |

**Overall Assurance Level**

|                   |
|-------------------|
| <b>Reasonable</b> |
|-------------------|

**Assurance Level by Scope Area**

|  |                        |
|--|------------------------|
| Achievement of Strategic Objectives          | <b>Limited</b>         |
| Compliance with Policies, Laws & Regulations | <b>Reasonable</b>      |
| Safeguarding of Assets                       | <b>No Areas Tested</b> |
| Effectiveness and Efficiency of Operations   | <b>Reasonable</b>      |
| Reliability and Integrity of Data            | <b>Reasonable</b>      |

The high risk exception relates to testing identifying supporting DBS disclosure information was retained for longer than necessary. The first medium risk relates to some petty cash claims being as high as £545. The second medium risk relates to there not being an inclusive business continuity plan which has been approved by the Governing Body. The final medium risk relates to the mini bus log sheet showing that 271km were unaccounted for.

**Cloud Storage**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 0    | 4      | 1   |

**Overall Assurance Level**

|                   |
|-------------------|
| <b>Reasonable</b> |
|-------------------|

**Assurance Level by Scope Area**

|  |                        |
|--|------------------------|
| Achievement of Strategic Objectives          | <b>Reasonable</b>      |
| Compliance with Policies, Laws & Regulations | <b>Reasonable</b>      |
| Safeguarding of Assets                       | <b>Assurance</b>       |
| Effectiveness and Efficiency of Operations   | <b>Reasonable</b>      |
| Reliability and Integrity of Data            | <b>No Areas Tested</b> |

The first medium risk relates to the lack of a specific business case or strategy setting out why SCC is adopting Cloud, what it aims to achieve, over what timeframe, at what cost and how. The second medium risk relates to the impact that cloud storage will have on policies including Records Management and Data Protection which will need to be reviewed to specifically reference the cloud arrangements. The third medium risk relates to a lack of detailed planning regarding fully implementing OneDrive. The final medium risk relates to further work being necessary to investigate, plan for and implement a robust set of automated controls to safeguard data held in the cloud and on OneDrive. The low risk exception relates to the Digital Strategy needing to be updated to make clear a 'cloud first' approach.

**Domestic Abuse**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 2    | 1      | 1   |

**Overall Assurance Level**

|                |
|----------------|
| <b>Limited</b> |
|----------------|

**Assurance Level by Scope Area**

|  |                        |
|--|------------------------|
| Achievement of Strategic Objectives          | <b>Reasonable</b>      |
| Compliance with Policies, Laws & Regulations | <b>Limited</b>         |
| Safeguarding of Assets                       | <b>No Areas Tested</b> |
| Effectiveness and Efficiency of Operations   | <b>No Areas Tested</b> |
| Reliability and Integrity of Data            | <b>Assurance</b>       |

The first high risk relates to testing identifying that the multi-agency meeting or discussion with MASH for all High Risk Domestic Abuse (HRDA) Arrangements was not completed within the required timeframe for any of the 10 cases reviewed during testing. The second high risk relates to service audits of 10% of HRDA cases not currently taking place due to a lack of resources. The medium risk relates to testing of referrals being unable to identify who took the initial referral. The low risk relates to 2/10 cases where risk assessments have been completed but stored in the wrong area.

**Modern Slavery Act**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 2    | 2      | 0   |

**Overall Assurance Level**

|         |
|---------|
| Limited |
|---------|

**Assurance Level by Scope Area**

|  |                 |
|--|-----------------|
| Achievement of Strategic Objectives          | No Areas Tested |
| Compliance with Policies, Laws & Regulations | Limited         |
| Safeguarding of Assets                       | No Areas Tested |
| Effectiveness and Efficiency of Operations   | Limited         |
| Reliability and Integrity of Data            | No Areas Tested |

The first high risk relates to the authority being unable to do targeted due diligence for service agreements, consultancy agreements and supply of goods agreements which have a higher risk of Modern Slavery due to the service having not yet identified the higher risk existing contracts and associated supply chains. The second high risk relates to a lack of ability to monitor and report statistics on Modern Slavery concerns in Children's services through PARIS. The medium risk relates to some areas of improvement or areas missed from the latest Modern Slavery statement. The second high risk relates to testing identifying a lack of bespoke Modern Slavery training.

**Mansbridge Primary School**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 5    | 2      | 0   |

**Overall Assurance Level**

|         |
|---------|
| Limited |
|---------|

**Assurance Level by Scope Area**

|  |                 |
|--|-----------------|
| Achievement of Strategic Objectives          | Limited         |
| Compliance with Policies, Laws & Regulations | Reasonable      |
| Safeguarding of Assets                       | Reasonable      |
| Effectiveness and Efficiency of Operations   | Limited         |
| Reliability and Integrity of Data            | No Areas Tested |

The first high risk relates to the Governing Body terms of reference not referencing the bodies' responsibilities for the control and administration of the budget as well as Full Governing Body minutes not making clear what supporting documentation was reviewed at the SFVS approval meeting. The second high risk relates to the lack of a review of the Governing Body's skills to identify where there is a collective need to acquire new skills. The third high risk relates to the retention of DBSS back-up documentation. The fourth high risk relates to a lack of discussion and challenge from Governors for the increase in the deficit budget position. The fifth high risk relates to petty cash being overdrawn on 21 occasions between July 2020 and 2021 including 13 cheque payments exceeding the limit. The medium risks relate to a lack of annual inventory checks and CCTV policy.

**Purchase Cards**
**Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 5    | 0      | 0   |

**Overall Assurance Level**

|         |
|---------|
| Limited |
|---------|

**Assurance Level by Scope Area**

|  |                 |
|--|-----------------|
| Achievement of Strategic Objectives          | No Areas Tested |
| Compliance with Policies, Laws & Regulations | Limited         |
| Safeguarding of Assets                       | No Areas Tested |
| Effectiveness and Efficiency of Operations   | Limited         |
| Reliability and Integrity of Data            | No Areas Tested |

The first high risk relates to testing identifying 34 transactions between May 2020 and May 2021 having a monetary value higher than the card holder's single transaction limit. The second high risk relates to testing of 25 purchases where VAT is coded and found 11/25 were not supported by a VAT receipt and 1/25 VAT calculations differed from the VAT stated on the receipt. The third high risk relates prohibited expenditure on purchase cards including regular subscription fees to a video conferencing software company. The fourth high risk relates to the regular monitoring of purchase card transactions was put on hold while a staff member was on long-term absence. The final high risk relates to the lack of controls to prevent the processing of non-compliant transactions.

**List of Completed Grants**
**Grant Outcomes:**
**Assurance**

Additional H2S &amp; College Transport Grant

Bus Subsidy Grant

EU Perinatal Mental Health Grant

EU Perinatal Mental Health Grant Spot Check

Local Transport Capital Grant

Rough Sleeping Initiative &amp; Uplift Grant

Emergency Active Travel Grant

Solent Future Transport Zone Grant

## 9. 2021/22 Follow-up Audits completed to 29<sup>th</sup> October 2021

### Educational Psychologists – 1<sup>st</sup> Follow Up Audit

#### Original Exceptions Raised

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 1    | 1      | 0   |

Latest implementation date scheduled was June 2021.  
Revised date: N/A

#### Original Assurance Level

|            |
|------------|
| Reasonable |
|------------|

#### Follow Up Assurance Level

|           |
|-----------|
| Assurance |
|-----------|

#### Follow Up Action

| Open | Pending | In Progress | Implemented but Not Effective | Closed: Verified       | Closed: Not Verified | Closed: Management Accepts Risks | Closed: No Longer Applicable |
|------|---------|-------------|-------------------------------|------------------------|----------------------|----------------------------------|------------------------------|
| 0    | 0       | 0           | 0                             | 1 (High)<br>1 (Medium) | 0                    | 0                                | 0                            |

Follow up testing was able to close both the high risk and medium risk exception.

### Learning and Development – 2<sup>nd</sup> Follow Up Audit

#### Original Exceptions Raised

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 3    | 1      | 0   |

Latest implementation date scheduled was November 2020.  
Revised date: December 2021

#### Original Assurance Level

|         |
|---------|
| Limited |
|---------|

#### 2<sup>nd</sup> Follow Up Level

|            |
|------------|
| Reasonable |
|------------|

#### Follow Up Action

| Open | Pending | In Progress            | Implemented but Not Effective | Closed: Verified | Closed: Not Verified | Closed: Management Accepts Risks | Closed: No Longer Applicable |
|------|---------|------------------------|-------------------------------|------------------|----------------------|----------------------------------|------------------------------|
| 0    | 0       | 1 (High)<br>1 (Medium) | 0                             | 2 (High)         | 0                    | 0                                | 0                            |

Follow up testing was able to close two high risk exceptions. The high risk that remains open relates to confirming the average costs for internal training to compare with external courses to ensure value for money. The medium risk that remains open relates to deploying course feedback which has been delayed due to technical issues.

**The Polygon School – 1<sup>st</sup> Follow Up Audit**
**Original Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 3    | 3      | 0   |

Latest implementation date scheduled was September 2021.  
 Revised date: December 2022

**Original Assurance Level**

|         |
|---------|
| Limited |
|---------|

**Follow Up Assurance Level**

|            |
|------------|
| Reasonable |
|------------|

**Follow Up Action**

| Open | Pending | In Progress            | Implemented but Not Effective | Closed: Verified       | Closed: Not Verified | Closed: Management Accepts Risks | Closed: No Longer Applicable |
|------|---------|------------------------|-------------------------------|------------------------|----------------------|----------------------------------|------------------------------|
| 0    | 0       | 1 (High)<br>1 (Medium) | 0                             | 2 (High)<br>2 (Medium) | 0                    | 0                                | 0                            |

Follow up testing was able to close 2 high and 2 medium risk exceptions. The in progress high risk relates to the budget and the need to discuss the Band Funding process. The in progress medium risk relates to the CCTV policy which has been drafted needing to be approved by the Full Governing Body.

**Water Quality – 1<sup>st</sup> Follow Up Audit**
**Original Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 6    | 2      | 0   |

Latest implementation date scheduled was December 2020.  
 Revised date: November 2021

**Original Assurance Level**

|              |
|--------------|
| No Assurance |
|--------------|

**Follow Up Assurance Level**

|         |
|---------|
| Limited |
|---------|

**Follow Up Action**

| Open | Pending | In Progress | Implemented but Not Effective | Closed: Verified | Closed: Not Verified | Closed: Management Accepts Risks | Closed: No Longer Applicable |
|------|---------|-------------|-------------------------------|------------------|----------------------|----------------------------------|------------------------------|
| 0    | 0       | 6 (High)    | 0                             | 2 (Medium)       | 0                    | 0                                | 0                            |

Follow up testing was able to close two medium risk exceptions. The first high risk that remains in progress relates to outstanding risk assessments. The second relates to fault sheets being sent for monitoring. The third relates to responsible person and staff training. The fourth relates to officers needing to create a responsible person list. The fifth relates to improving the visibility and monitoring or remedial works. The remaining high risk relates to a tendering exercise to ensuring value for money.

**Appointeeship – 1<sup>st</sup> Follow Up Audit**
**Original Exceptions Raised**

| Critical | High | Medium | Low |
|----------|------|--------|-----|
| 0        | 8    | 2      | 2   |

Latest implementation date scheduled was March 2021.  
 Revised date: May 2022

**Original Assurance Level**

|              |
|--------------|
| No Assurance |
|--------------|

**Follow Up Assurance Level**

|         |
|---------|
| Limited |
|---------|

**Follow Up Action**

| Open | Pending | In Progress            | Implemented but Not Effective | Closed: Verified                  | Closed: Not Verified | Closed: Management Accepts Risks | Closed: No Longer Applicable |
|------|---------|------------------------|-------------------------------|-----------------------------------|----------------------|----------------------------------|------------------------------|
| 0    | 0       | 5 (High)<br>1 (Medium) | 0                             | 3 (High)<br>1 (Medium)<br>2 (Low) | 0                    | 0                                | 0                            |

Follow up testing was able to close 3 high, 1 medium and 2 low risk exceptions. The first high risk in progress relates to the Appointeeship Client Management System being in progress. The second relates to client accounts missing documentation including benefit award letters and payment forms. The third relates to clients' accounts being in need of review. The fourth relates to new procedures managing deceased accounts needing further time to embed. The final in progress high risk relates to the business case for charging being underway. The in progress medium risk relates to clients which are requiring reassessment which has reduced from 17 to 12 following reviews.

## 10. Follow-up Action Categorisation

The following table outlines the follow up categories used to describe the outcome of follow up testing completed.

| Follow Up Categories                   | Description  |
|--|--|
| Open                                   | <i>No action has been taken on agreed action.</i>  |
| Pending                                | <i>Actions cannot be taken at the current time but steps have been taken to prepare.</i> |
| In Progress                            | <i>Progress has been made on the agreed action however they have not been completed.</i> |
| Implemented but not Effective          | <i>Agreed action implemented but not effective in mitigating the risk.</i>               |
| Closed: <i>Verified</i>                | <i>Agreed action implemented and risk mitigated, verified by follow up testing.</i>      |
| Closed: <i>Not Verified</i>            | <i>Client has stated action has been completed but unable to verify via testing.</i>     |
| Closed: <i>Management Accepts Risk</i> | <i>Management has accepted the risk highlighted from the exception.</i>                  |
| Closed: <i>No Longer Applicable</i>    | <i>Risk exposure no longer applicable.</i>   |

## 11. Audits in Draft

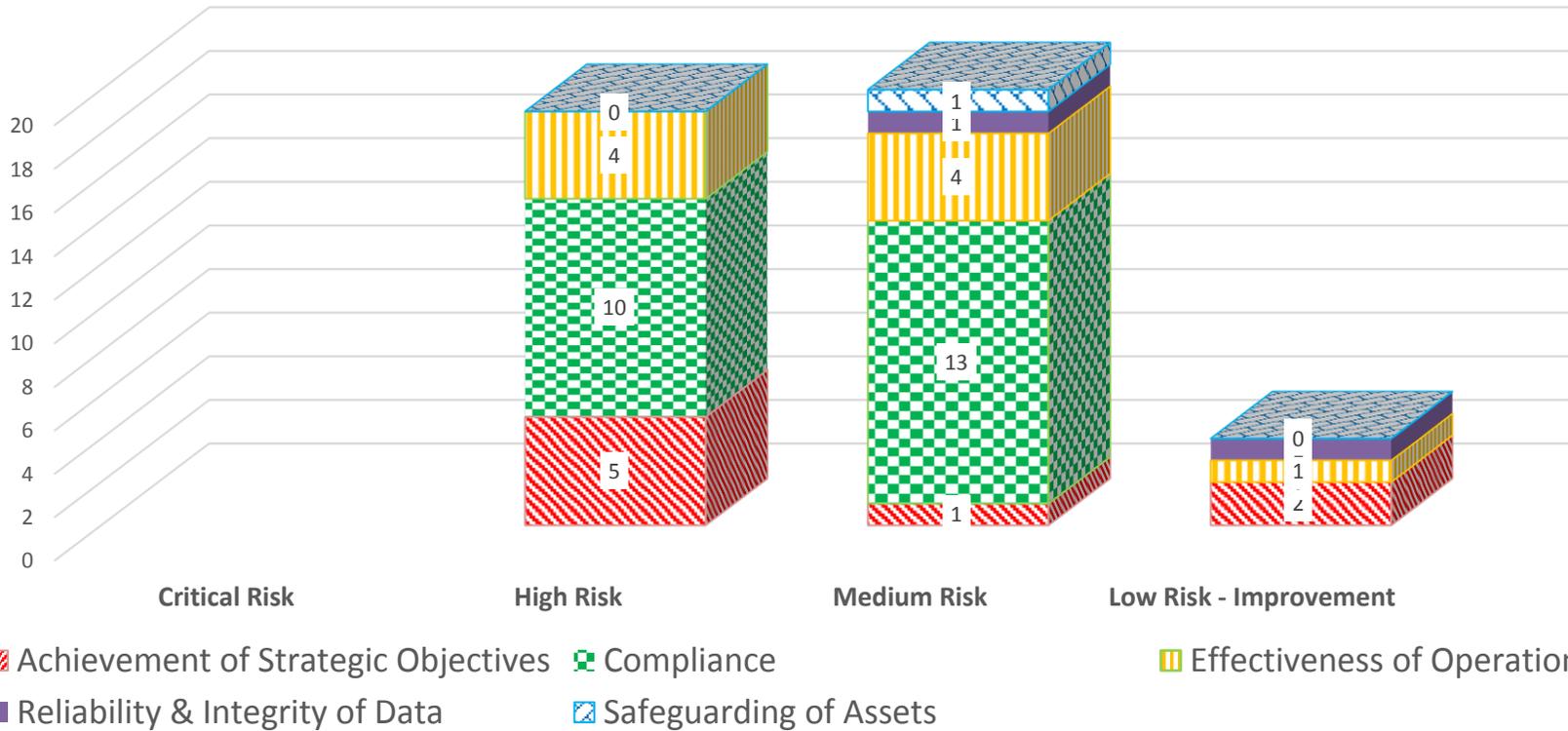
| Audit                          | Directorate                               | Projected Reporting | Revised | Comments |
|--------------------------------|---|---------------------|---------|----------|
| Care Leavers                   | Wellbeing (Children & Learning)           | TBC                 |         |          |
| Deprivation of Liberty         | Wellbeing (Health & Adults)               | TBC                 |         |          |
| Expenses, Travel & Subsistence | Business Services                         | TBC                 |         |          |
| Operator's License             | Place                                     | TBC                 |         |          |
| Schools Budget Deficits        | Finance & Wellbeing (Children & Learning) | TBC                 |         |          |

## 12. Audits in Progress

| Audit                                   | Directorate                     | Comments |
|---|---------------------------------|----------|
| Adult Safeguarding                      | Wellbeing (Health & Adults)     |          |
| Business World                          | Finance & Commercialisation     |          |
| Council Tax                             | Finance & Commercialisation     |          |
| COVID-19 Income Loss Compensation Claim | Finance & Commercialisation     |          |
| Culture Recovery Grant                  | Communities, Culture & Homes    |          |
| Direct Payments Children                | Wellbeing (Children & Learning) |          |
| Disabled Facilities                     | Finance & Place                 |          |

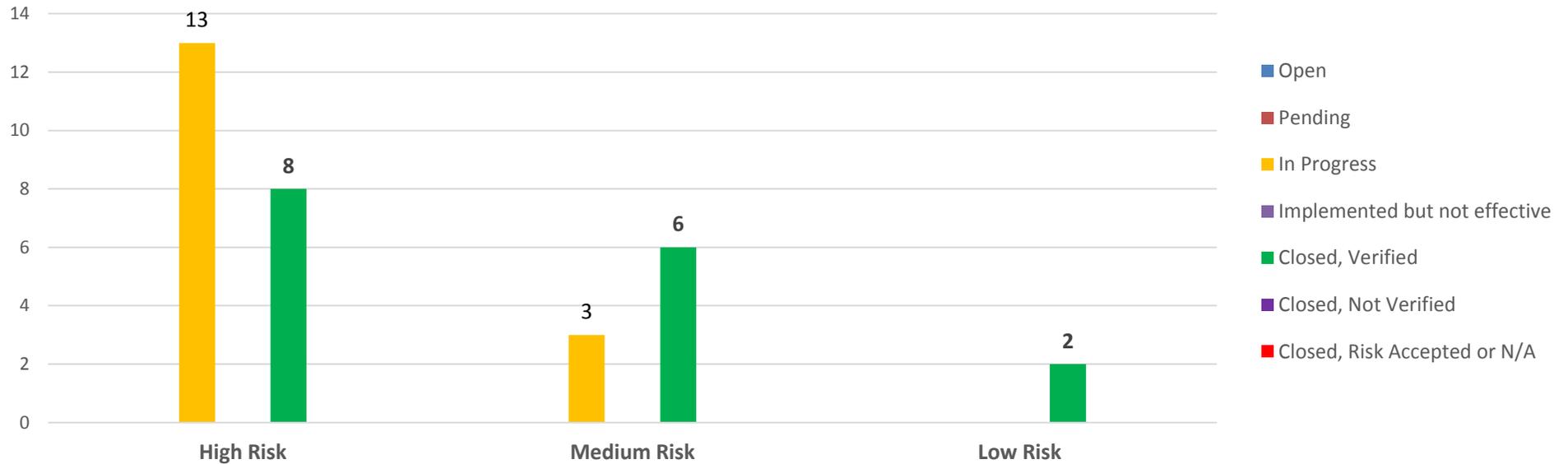
|                                    |  |  |
|------------------------------------|--|--|
| Emergency Procedures / Fire Safety | Communities, Culture & Homes           |  |
| Families Matter Grant              | Wellbeing (Children & Learning)        |  |
| Feeder Systems                     | Business Services                      |  |
| Flood Risk Management              | Place                                  |  |
| Housing Rents & Arrears Collection | Communities, Culture & Homes & Finance |  |
| NNDR                               | Finance & Commercialisation            |  |
| Parking (Income Collection)        | Communities, Culture & Homes           |  |
| Pension Return                     | Business Services                      |  |
| Public Health Outcomes             | Wellbeing (Health & Adults)            |  |
| Recruitment & Retention            | Business Services                      |  |
| Shirley Warren Primary School      | Wellbeing (Children & Learning)        |  |

### 13. Exception Analysis to Date



|                        | Achievement of Strategic Objectives | Compliance | Effectiveness of Operations | Reliability & Integrity | Safeguarding of Assets | Total     |
|------------------------|-------------------------------------|------------|-----------------------------|-------------------------|------------------------|-----------|
| Critical Risk          |                                     |            |                             |                         |                        |           |
| High Risk              | 5                                   | 10         | 4                           |                         |                        | 19        |
| Medium Risk            | 1                                   | 13         | 4                           | 1                       | 1                      | 20        |
| Low Risk - Improvement | 2                                   |            | 1                           | 1                       |                        | 4         |
| <b>Grand Total</b>     | <b>8</b>                            | <b>23</b>  | <b>9</b>                    | <b>2</b>                | <b>1</b>               | <b>43</b> |

## 14. Follow Up Analysis



|                    | Open     | Pending  | In Progress | Implemented but not effective | Closed – Verified | Closed – Not Verified | Closed – Management Accepts Risk | Closed – No Longer Applicable |
|--------------------|----------|----------|-------------|-------------------------------|-------------------|-----------------------|----------------------------------|-------------------------------|
| High Risk          |          |          | 13          |                               | 8                 |                       |                                  |                               |
| Medium Risk        |          |          | 3           |                               | 6                 |                       |                                  |                               |
| Low Risk           |          |          |             |                               | 2                 |                       |                                  |                               |
| <b>Grand Total</b> | <b>0</b> | <b>0</b> | <b>16</b>   | <b>0</b>                      | <b>16</b>         | <b>0</b>              | <b>0</b>                         | <b>0</b>                      |

The Internal Audit Service follows up all audits where at least 1 high risk exception has been raised. These audits are followed up in the next financial year to allow for agreed actions to be sufficiently implemented. Any critical risk exceptions are followed up within 3 months due to the potential severity of the risks identified. The overall position of the exceptions followed up currently through 2021/22 shows that **50%** have been closed by audit, however **50%** remain open and or are in progress.