



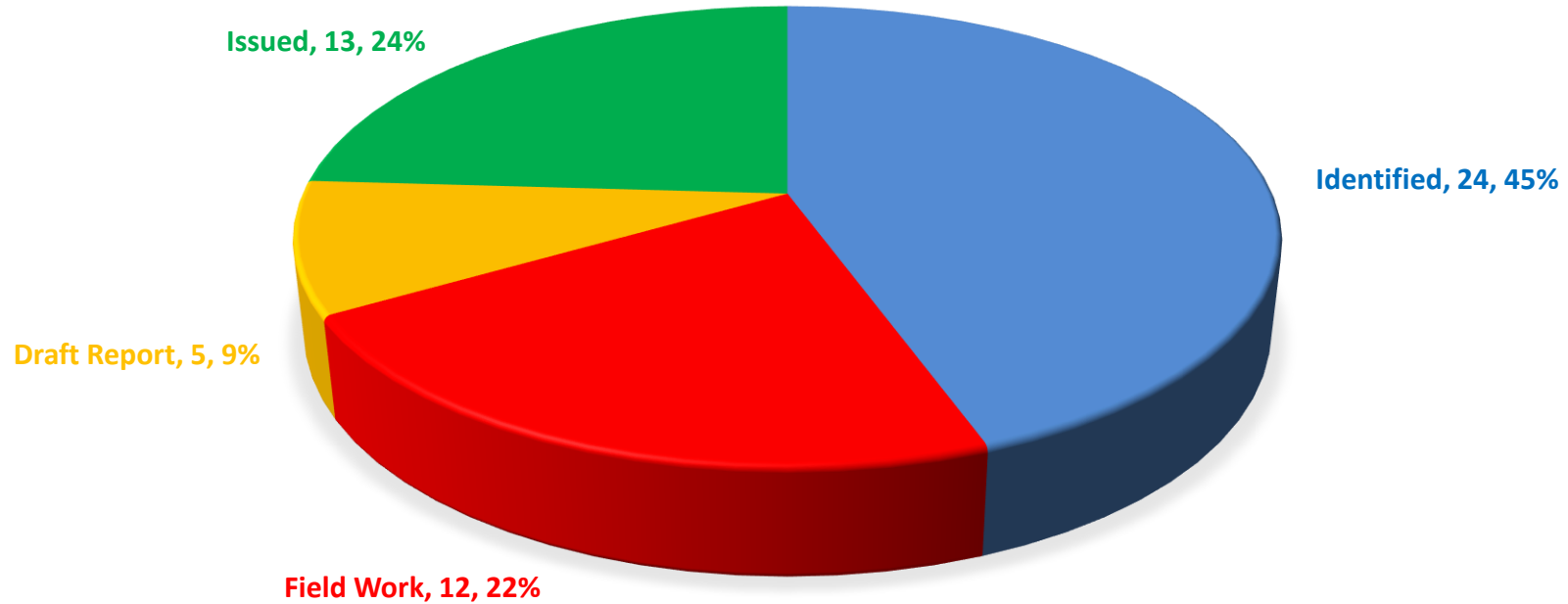
SOUTHAMPTON
CITY COUNCIL

Internal Audit Progress Report

11th November 2024

Elizabeth Goodwin, Chief Internal Auditor

1. Audit Plan Progress as of 25th October 2024



There are a total of 54 reviews in the 2024/25 Audit Plan as of 25th October 2024.

To date, 55% of reviews have been completed or are in progress. This represents 13 (24%) items where the report has been finalised, 5 (9%) where the report is in draft and 12 (22%) audits currently in progress.

Status	Current Position
Identified	24
Fieldwork	12
Draft Report	5
Final Report	13
Total	54

2. Audit Plan Status/Changes

The Audit Plan has remained flexible to take into account emerging or escalating risk exposure. Since the last reporting period the following changes to the 2024/25 Audit Plan should be noted:

Added	Canberra Towers Decarbonisation	New request for audit to complete grant verification of spend	Grant
	Control & Outbreak Management Fund (COMF)	New request for audit to complete grant verification of spend	Grant
	Direct Payment (Outstanding Cases)	Need to follow up on outstanding cases from 2023-24 work	Consultancy
	Food Waste Collection	New request for audit to complete grant verification of spend	Grant
	Homelessness and Rough Sleeping	New request for audit to complete grant verification of spend	Grant
	Landlord Controlled Heating Charges	At the request of senior management	Full
	Payroll IDEA Analytics	At the request of senior management	Analytics
	School Centred Initial Teacher Training (SCITT)	New request for audit to complete grant verification of spend	Grant
Traffic Signal Obsolescence	New request for audit to complete grant verification of spend	Grant	

Removed	Asbestos	Deferred to 2025/26 as implementation dates are Sept-25	Follow Up
	Care Act Eligibility	Removed to accommodate additional work	Full
	Children's Homes	Deferred as project has been delayed until 2025/26	Full
	Continuing Healthcare	Removed to accommodate additional work	Full
	Direct Contact and Levels of Supervision	Removed to accommodate additional work	Full
	Independent Family Safeguarding	Removed to accommodate additional work	Full
	Prevention (Rough Sleeping)	Removed to accommodate additional work	Full

Any audits removed as noted above will now be considered as part of the 2025/26 audit plan.

3. 2024/25 Audits completed since the last reporting period

Asbestos – 2023/24 Audit

Exceptions Raised				Overall Assurance Level	Assurance Level by Scope Area	
Critical	High	Medium	Low	Limited		
0	3	1	0		Actions should be implemented by December 2025	Achievement of Strategic Objectives
					Compliance with Policies, Laws & Regulations	Limited
					Safeguarding of Assets	No Areas Tested
					Effectiveness and Efficiency of Operations	Limited
					Reliability and Integrity of Data	Limited

The first high risk was raised in relation to a review of the implementation of the Strategic Management Plan (SMP) identifying that while there had been some key areas of improvement, since previous audits, full implementation was in a ‘holding pattern’ with the decision to wait until the procurement of a new asbestos frameworks had been completed to further embed procedures outlined in the SMP. As of September 2024, the planned implementation of a new framework is anticipated to be in place by September 2025.

The second high risk was raised in relation to embedding asbestos training with relevant members of staff, as while task sheet training had been rolled out across approximately 260 trades, the number of trades people accessing the asbestos register was less than anticipated when reviewed against the number of jobs carried out. Furthermore, the number of asbestos incidents in 2023 was almost double the 10 year average. The third high risk was raised in relation to a lack of centralised asbestos oversight over jobs, due to the fragmented use of contractors as well as a lack of quality assurance processes in place. The medium risk exception was raised in relation to the new asbestos register as some of the corporate reporting did not go live at the same time as the register was rolled out across the organisation.

Data Management

Exceptions Raised				Overall Assurance Level	Assurance Level by Scope Area	
Critical	High	Medium	Low	Reasonable	Achievement of Strategic Objectives	No Areas Tested
0	0	1	1	Actions should be implemented by December 2024	Compliance with Policies, Laws & Regulations	Reasonable
					Safeguarding of Assets	Reasonable
					Effectiveness and Efficiency of Operations	No Areas Tested
					Reliability and Integrity of Data	No Areas Tested

A medium risk exception was raised in relation to the migration to Office 365 Data Storage. While emails and personal cloud storage have migrated over, shared drivers remain locally hosted. This arrangement meets current needs, but it was highlighted that a medium term plan for migration should be documented as cloud storage would support both better resilience and potentially improved security for SCC data. The low risk exception was raised in relation to the Internet and Networked Communications Policy which was not yet been approved by the Information Governance Board.

Expenses, Travel & Subsistence

Exceptions Raised

Critical	High	Medium	Low
0	1	2	0

Overall Assurance Level

Reasonable
Actions should be implemented by March 2025

Assurance Level by Scope Area

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

A high risk exception was raised in relation to mileage claims with employees submitting claims not certifying in Business World, specifically that they have a valid driver’s licence, insurance for business/work journeys, valid road tax and MOT. Further concerns were noted with 2/15 claims tested which did not include sufficient description of the journey the mileage was claimed for. The first medium risk was raised in relation to the HR Conditions of Service requiring a review to better reflect current practices and remote working. The second medium risk was raised in relation to expense claims as 2/20 sampled claims did not attach a valid receipt and 1/20 could not be justified as a valid expense claim (work polo shirt).

IT Application and Operating Systems

Exceptions Raised				Overall Assurance Level	Assurance Level by Scope Area	
Critical	High	Medium	Low	Reasonable	Achievement of Strategic Objectives	Reasonable
0	2	3	0	Actions should be implemented by October 2024	Compliance with Policies, Laws & Regulations	No Areas Tested
					Safeguarding of Assets	Reasonable
					Effectiveness and Efficiency of Operations	Reasonable
					Reliability and Integrity of Data	No Areas Tested

The first high risk was raised in relation to available funding which is based on current known costs, most significantly the replacement for CareDirector and new hardware and infrastructure replacements. Further work needed to be undertaken to quantify the 'enabling' costs of implementing the Digital Strategy, target operating model and associated Transformation Business Cases. The second high risk relates to the report undertaken by the Society for Innovation Technology and Modernisation (Soctim) which identified 10 'quick wins' as it related to the target operating model, while evidence was provided showing progress made against quick wins they needed further prioritisation. The first medium risk was raised in relation to Soctim actions and ensuring they had assigned ownership and delivery dates. The second medium risk was raised in relation to some potential system duplication in the number of IT applications in the portfolio. The final medium risk was raised in relation to 69 devices have been identified as not compatible with Windows 11.

Parking Permits and Penalty Charge Notices (PCNs)

Exceptions Raised				Overall Assurance Level	Assurance Level by Scope Area	
Critical	High	Medium	Low	Limited		
0	4	1	0	Actions should be implemented by March 2025	Achievement of Strategic Objectives	Limited
					Compliance with Policies, Laws & Regulations	No Areas Tested
					Safeguarding of Assets	Limited
					Effectiveness and Efficiency of Operations	Limited
					Reliability and Integrity of Data	Reasonable

A first high risk exception was raised in relation to financial planning due to a lack of consideration to future investment requirements, PCN recovery not being incorporated into budget oversight/tracking and the annual report outlining enforcement activities was last published in the 2020-21 financial year. The second high risk was raised in relation to a review of the storage and inventory management for parking permits which identified several concerns. The third high risk was raised in relation to record keeping for issued permits with testing identifying 91 permit payments not being updated on the system, 55 permits being issued under special arrangements without documentation as well as reduced rate permits not being updated in the system. The fourth risk was raised in relation to a lack of financial reconciliation of permit income with testing unable to establish payment for 20 out of 7,797 permits issued. The medium risk was raised due to the Service Managers team meetings with Enforcement Officers not being formally documented to capture insights and updates provided.

Partnership for South Hampshire (PfSH)

Exceptions Raised

Critical	High	Medium	Low
0	0	1	1

Overall Assurance Level

Assurance

Assurance Level by Scope Area

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

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

List of Completed Grant

Grant Outcomes:

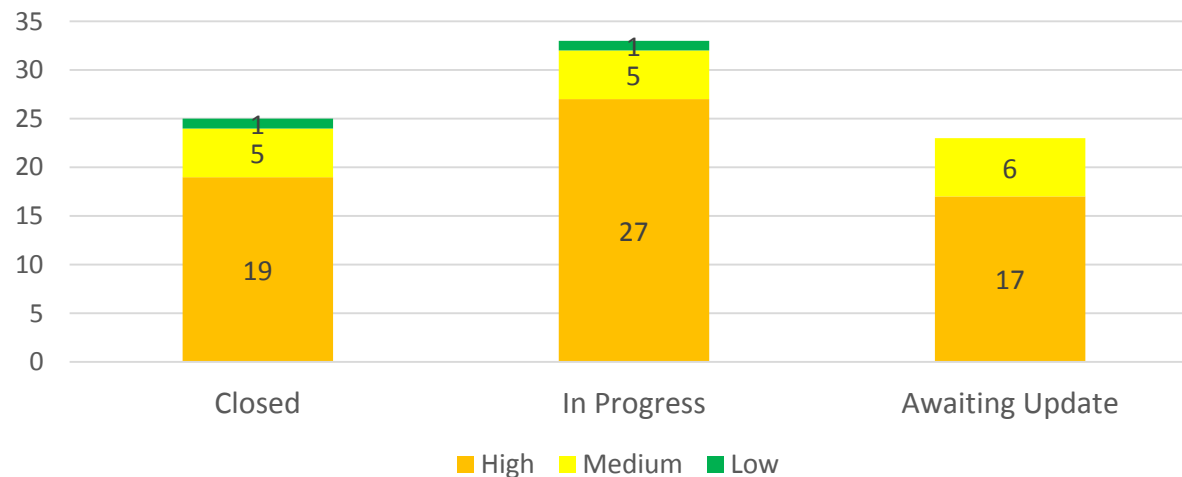
Assurance/Certified

1. Bus Subsidy Grant
2. Canberra Towers Decarbonisation
3. Control and Outbreak Management Fund (COMF)
4. Disabled Facilities Grant
5. Local Transport Capital Funding
6. Multiply Grant
7. School Centred Initial Teacher Training (SCITT)
8. Transport Signal Obsolescence

4. Audit Action Tracker

4.1 An Audit Action Tracker has been rolled out across the authority which lists outstanding actions raised in audit reports. The tracker includes details on ownership, status, progress and timeframes in a user friendly SharePoint site. The purpose of the tracker is to provide Senior Managers and Directors additional means to maintain greater visibility and oversight of outstanding actions in their services/directorates and to ensure greater traction when it comes to implementation.

4.2 Action owners are ultimately responsible for ensuring that actions they have agreed to have been completed and the risk exposure has been adequately reduced or mitigated. Internal Audit will follow up on a number of actions/audits based on the risk profile, of the 153 actions in the tracker. This equates to 72 (47%) actions with the remaining 81 (53%) delegated to the service with some routine checking being undertaken by audit. Details on the progress of actions delegated to services has been included below:

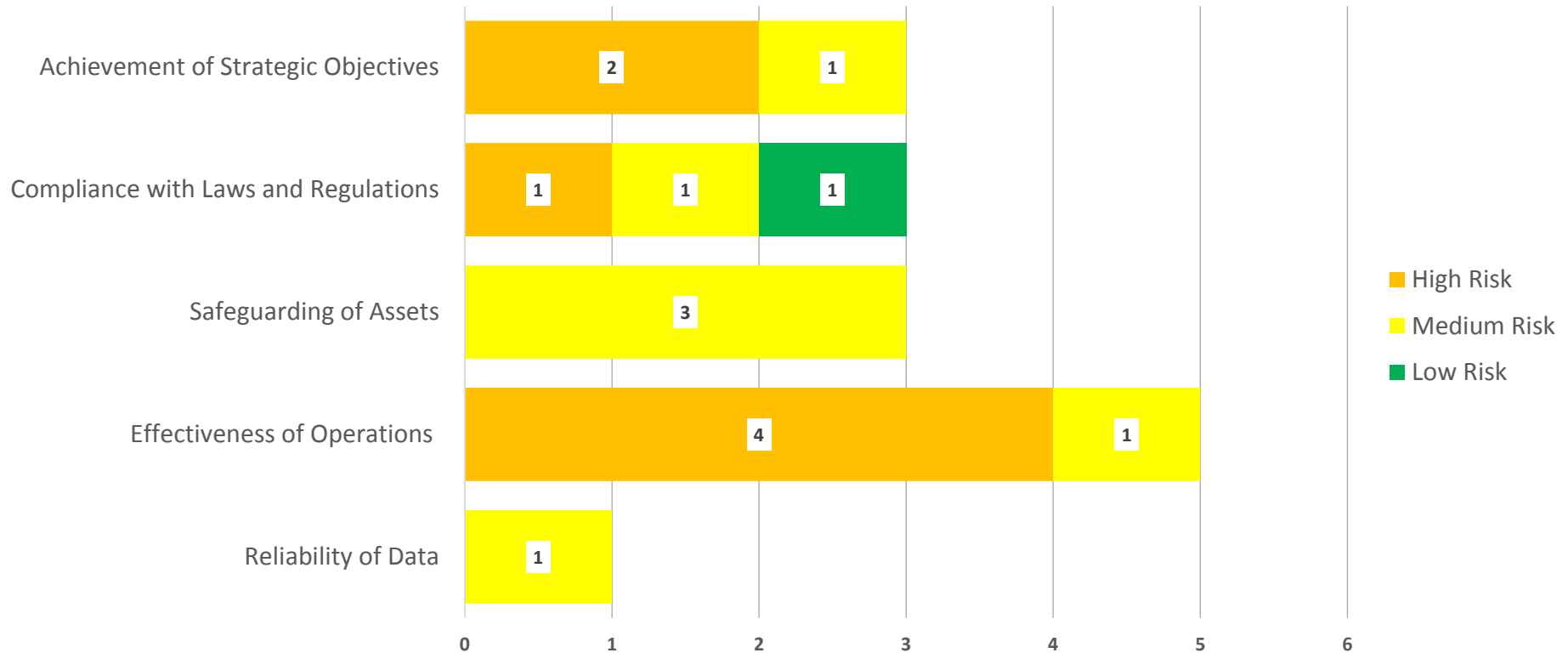


Actions Delegated to Service

Of those 81 actions delegated to the service, as of 18th October; 25 (31%) have been closed down with a further 33 (41%) currently listed as in progress. The remaining 23 (28%) were awaiting an update from the service.

4.3 As of mid-October, Internal Audit has attended each Directorate Management Team (DMT) to demonstrate the audit action tracker and to outline their responsibilities regarding updating on action progress. Internal Audit will return to each DMT on a quarterly basis to report on the directorates progress and to raise by exception the open actions which have gained little traction, or which are still significant control weaknesses.

5.Exception Analysis to Date



	Achievement of Strategic Objectives	Compliance	Safeguarding of Assets	Effectiveness of Operations	Reliability & Integrity	Total
Critical Risk						
High Risk	2	1		4		7
Medium Risk	1	1	3	1	1	7
Low Risk - Improvement		1				1
Grand Total	3	3	3	5	1	15