

Appendix 1

Internal Audit Reports issued since April 2024

The following table summarises the audit assignments and similar work completed by Internal Audit between 1 April 2024 and the date of submission of this report. Reports shaded in grey are those previously presented to this Committee (included here for reference) while work completed since the last report to this Committee is presented in bold at the end of the table.

Audit Title	Report Issued	Assurance Opinion	Actions (High Priority)	Actions (Medium / Low Priority)
Homelessness Prevention Grant	11/04/24	No issues noted		
Local Elections (Accounts)	24/04/24	Reasonable	0	1
Rents	07/05/24	Substantial	0	2
Chilwell Olympia	08/05/24	Substantial	0	0
Housing Repairs (Compliance)	10/05/24	Reasonable	0	3
Corporate Governance	20/05/24	Annual Governance Statement 'approved'		
Tenancy Management	17/06/24	Reasonable	0	3
Financial Appraisal – Cremators	19/06/24	Advisory Report Only		
Council Tax	02/07/24	Substantial	0	1
Capital Works	08/07/24	Reasonable	0	3
Key Reconciliations	01/08/24	Substantial	0	2
Car Loans and Leases	22/08/24	Reasonable	0	5
Housing Delivery Plan	28/08/24	Reasonable	0	3
Kimberley Levelling Up Fund	23/09/24	Reasonable	0	2
Major Projects Dashboard	23/09/24	See separate report on this meeting agenda		
Disabled Facilities Grants	At the time of writing, it is anticipated that these audits will be completed (or substantially completed) by the date of this meeting. A verbal update will be provided by the Chief Audit and Control Officer at this meeting.			
Treasury Management				
Benefits				
Payroll				

Remaining Internal Audit Plan

Audit Title	Progress
Damp and Mould	In progress
Sanctuary Scheme	Planning
Allotments	Not yet commenced
NNDR (Business Rates)	Not yet commenced
Commercial Properties	Not yet commenced
Creditors and Purchasing	Not yet commenced
Declarations of Interest	Not yet commenced
Financial Inclusion	Not yet commenced
Homelessness	Not yet commenced
Housing Repairs (Reactive)	Not yet commenced
Human Resources	Not yet commenced

Audit Title	Progress
Leisure Management System	Not yet commenced
Housing Rents	Not yet commenced
Stores	Not yet commenced
Sundry Debtors	Not yet commenced
UK Shared Prosperity Fund	Not yet commenced
Waste Management (Recycling)	Not yet commenced

Any significant issues identified in audits completed between the date of submission of this report and the date of this meeting of the Committee will be reported by way of a verbal update from the Chief Audit and Control Officer at this meeting.

Completed Audits

A report is prepared for each audit assignment and issued to the relevant senior management at the conclusion of a review that will:

- include an overall opinion on the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the specific identified key risks relating to the area under audit. This opinion is categorised as either ‘Substantial’, ‘Reasonable’, ‘Limited’ or ‘Little’ assurance;
- identify inadequately addressed risks and ineffective control processes;
- detail the actions agreed with management and the timescales for completing those actions; and
- identify issues of good practice.

Recommendations made by Internal Audit are prioritised, with the agreed actions being categorised accordingly as follows:

- High Priority – Action considered necessary to avoid unmitigated exposure to significant risks
- Medium Priority – Action considered necessary to avoid unmitigated exposure to other key risks
- Best Practice – Action recommended in order to improve existing procedures and other systems of internal control

The following audit reports have been issued with key findings as follows:

1. **Council Tax** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control

implemented by management in mitigation of the following specific identified key risks:

- Council Tax may not be correctly calculated and/or bills may not be accurately and efficiently raised and distributed.
- Billed amounts may not be collected in an efficient manner and/or may not be accounted for correctly.
- Outstanding debts may not be managed efficiently and effectively.
- Applied reliefs and discounts to accounts may not be valid and/or managed efficiently.
- Refunds and write-offs may not be valid and may not be appropriately authorised.
- Robust arrangements for detecting and managing fraud risk may not be in place.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. One recommendation relating to the documentation of the approval of write-offs ('best practice') was proposed by Internal Audit and agreed with management.

2. **Capital Works**

Assurance Opinion – Reasonable

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Projects may not be delivered in line with expected standards, established budgets or within anticipated timescales.
- Procurement of contractors may not be undertaken in line with current legislation and/or Council policy.
- Payments to contractors may be made inappropriately and/or without due process.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Three recommendations relating to the embedding of project management processes (medium priority), budgetary control processes (medium priority) and file management ('best practice') were proposed by Internal Audit and agreed with management.

3. **Key Reconciliations**

Assurance Opinion – Substantial

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risk:

- The Key Reconciliation processes may not be completed in a timely and accurate manner.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Two recommendations relating to the review of the key reconciliations schedule and the sign-off of reconciliations (both 'best practice') were proposed by Internal Audit and agreed with management.

4. **Car Loans and Leases** **Assurance Opinion – Reasonable**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Car Loans to employees may not be appropriately administered.
- The Car Lease scheme available to employees may not be appropriately administered.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Five recommendations relating to file management ('best practice'), website access (medium priority), update of the Council's intranet ('best practice'), the review of P11D forms ('best practice') and a new process for car leaseholders on long-term sickness absence (medium priority) were proposed by Internal Audit and agreed with management.

5. **Housing Delivery Plan** **Assurance Opinion – Reasonable**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Appropriate policy and/or strategy documents may not be in place.
- Appropriate financial appraisals may not be undertaken prior to the purchase of existing housing and/or construction of new build housing.
- Appropriate condition assessments may not be undertaken prior to the purchase of existing housing.
- Appropriate authorisation/approval may not be obtained prior to the purchase of existing housing and/or the construction of new build housing.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Three recommendations relating to the refresh and update of the Housing Delivery Plan (medium priority), financial appraisal of development proposals (medium priority) and file management ('best practice') were proposed by Internal Audit and agreed with management.

6. **Kimberley Levelling Up Fund** **Assurance Opinion – Reasonable**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Appropriate governance arrangements may not be in place.
- Payments to third-party organisations may not be made in an appropriate manner.

Internal Audit was pleased to report that no significant issues were identified in the course of this review. Two recommendations relating to the communication of procurement requirements (medium priority) and the monitoring of procurement compliance ('best practice') were proposed by Internal Audit and agreed with management.

Current Audit Performance

Progress on the Internal Audit Plan for 2024/25 is considered to be satisfactory with full completion anticipated by the end of the financial year. A final report on the performance of the Internal Audit Service for 2024/25 will be presented to this Committee in July 2025.

Appendix 2

Internal Audit Follow-Up

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the audit. The table below provides a summary of the progress made with high and medium priority agreed actions for such internal audit reports issued. Those audits where all actions have previously been reported as completed have been excluded from this list.

Audit Title	Report Issued	Original Assurance Opinion	Number of Actions (High Priority in brackets)	Progress
Business Support	30/03/23	Substantial	2 (0)	1 Outstanding

Further details of progress being made with high and medium priority agreed actions that have not yet been fully implemented are included below along with comments from management reflecting any updates on progress. Evidence of implementation will not be routinely sought for all actions as part of this monitoring process. Instead, a risk-based approach will be applied to conducting further follow-up work. Actions marked as 'superseded' refer to occasions where either 1) developments within the relevant Council department, or the environment within which the department operates, have occurred since the date of the original audit report and the action is no longer relevant or considered a priority in light of the consequent change to the Council's risk profile; or, 2) an alternative action has been implemented to mitigate the risk identified.

Where the agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

Outstanding Actions**1. Business Support**

March 2023, Substantial, Actions – 2

1.1 Performance Monitoring and ReportingAgreed Action (Medium Priority)

A suite of Performance Indicators will be developed, in conjunction with the Projects and Performance Officer, which will form the basis of reporting to Senior Management and, via the quarterly performance reporting mechanism, to Members.

This will also include some reporting on 'customer satisfaction' with the service provided by the Business Support team to operational areas within the Council.

Managers Responsible

Head of Administrative Services
Business Support Manager

Target Date: 30 June 2023

Update from the Head of ICT and Corporate Services

Service Level Agreements are in place for all service areas. Review meetings occur on a regular basis. A list of performance indicators is being further developed as part of the review meetings. The next meetings are being arranged with service areas in September/October. A report requesting small structural changes and additional resources has already been agreed and recruitment is underway. Meetings arranged in September/October will include a number of questions relating to Customer Satisfaction.

Revised Target Date: 30 November 2024