

**WOKINGHAM BOROUGH COUNCIL**  
**Annual Internal Audit & Investigation Report**  
**(2022/23)**

## 2022/23 Internal Audit and Investigation Plan

This Annual Report provides the Audit Committee with a summary of the work undertaken by the Internal Audit and Investigation Service during 2022/23. Its purpose is: -

- to include an opinion on the overall adequacy and effectiveness of the Council's internal control, governance and risk management environment,
- present a summary of the audit work on which the opinion is based,
- draw attention to any key issues that may impact on the level of assurance provided,
- provide a summary of the performance of the Service,
- comment on the Audit Service's level of compliance with the Public Sector Internal Audit Standards (PSIAS).

This report supplements quarterly progress reports presented to AC during the financial year. This is to ensure that the AC discharges its responsibilities in relation to governance, internal control and risk management.

### Summary

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness.

Internal Audit work is driven by the Internal Audit and Investigation Plan. The Audit Committee (AC) approved the 2022/23 Internal Audit and Investigation Plan and Strategy at its meeting on 30 March 2022. The original Plan was subject to an In-Year review due to a request from the Chief Financial Officer to freeze a vacant Senior Auditor post to contribute towards the Council's savings requirements for 2022/23. A revised Plan was agreed by AC on 28 September 2022. The revised Plan continues to remain flexible as the Council responds to its changing risk profile.

Primarily the work of Internal Audit and Investigation includes:

- Corporate Risks
- Key Operational Systems
- Governance Building Blocks
- Fraud and Investigation
- Auditor Judgement & Servicing the Business, including Grant Certifications
- Advisory Activity

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk.

This annual report summarises the work of the Internal Audit and investigation Team during the financial year to 31 March 2023 and it supplements the quarterly progress reports which are presented to Audit Committee to review and scrutinise the progress of the Team's work during the 2022/23 financial year.

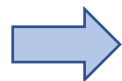
## 2022/23 Internal Audit and Investigation Plan

The report includes areas of significant risk identified during our audit reviews and mitigating actions to address those risks. In addition, a summary of the Action Tracker gives Members of the Audit Committee assurance that concerns are being addressed and followed up regularly.

The internal audit programme of work aims to provide sufficient and appropriate coverage to enable the Head of Internal Audit and Investigation (fulfils the role of Chief Audit Executive) to provide an annual internal audit opinion on the Council's governance, internal control and risk management framework, as required under the PSIAS.

This feeds into the Annual Governance Statement (AGS) and provides assurances on the implementation of the Council's Local Code of Corporate Governance.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its governance, internal control and risk management framework.



Appendix A(I) lists the audits completed, at draft stage or work in progress in the period to 31 March 2023, as well as the Audit Opinion given for each review. Completed internal audit assignments are given an 'overall' Internal Audit Opinion rating, with '1' being the highest category of audit assurance and '4' the lowest. Audit Opinion definitions are summarised at Appendix A(II).

For those audits falling into the lower two categories of audit opinion, a summary is provided within this report and copies of the respective Internal Audit reports are provided to the Chair of the AC.

Follow up work is undertaken on all audits attracting the lowest two categories of audit opinion and on those concerns categorised as being Very High or High risk. This report also summarises the activity regarding fraud and irregularities.

### Changes to the Revised Internal Audit and Investigation Plan

We regularly re-visit and adjust our rolling programme of audit work to ensure that it matches the changing risk profile of the organisation's operations, systems and controls. Changes made to the revised 2022/23 Plan are summarised below. Audits deferred are offset by those added.

Audit	Reason for Addition / Deferral
Dinton Pastures Catering Contract (Added)	Consultancy work requested by management
Bearwood School (Added)	Requested by School
IT Project Delivery (Deferred)	Included within wider corporate review of Project Delivery
Children's Services - Use of Finance Functionality & Systems (Deferred)	Advisory work/participation in working group requested - not at stage of requiring Internal Audit involvement
Treasury Management (Deferred)	Delayed by management; deferred to Q1 2023/24

## 2022/23 Head of Internal Audit Annual Opinion

Our overall opinion on the adequacy of the Council's arrangements for internal control, governance and risk management for 2022/23 is based on evidenced assessment of the control framework in a number of areas in accordance with the Internal Audit and Investigation Plan.

It should be noted that in devising the annual audit and investigation plan, a risk-based approach is taken and as such, areas of highest risk are targeted for review of the mitigation and controls in place.

Internal Audit has not reviewed all risks and assurances relating to WBC and cannot provide absolute assurance on the internal control environment. Senior Management and Members are ultimately responsible for ensuring an effective system of internal control. Audit Coverage is considered adequate to provide an overall opinion.

## 2022/23 Head of Internal Audit Opinion

### ***"Substantially Complete and Generally Effective but with some improvements required"***

*Based on audits completed during the year, most key controls are in place and are operating effectively with the majority of residual risks being reduced to an acceptable level and reported concerns being progressed by management to be reduced to a predominately moderate impact level. A small number of exceptions were identified, and these have been discussed with Senior Management and where necessary, presented to previous meetings of the Audit Committee. This audit opinion supports other assurance mechanisms such as External Audit, external professional body inspections and the Annual Governance Statement (AGS).*

Our overall opinion on the adequacy of the Council's arrangements for internal control, governance and risk management for 2022/23 is based on evidenced assessment of the control framework in a number of areas in accordance with the Internal Audit and Investigation Plan. It should be noted that in devising the annual audit and investigation plan, a risk-based approach is taken and as such, areas of highest risk are targeted for review of the mitigation and controls in place.

Account is also taken of other assurance mechanisms e.g., Peer Review, Ofsted Inspections, to inform the Chief Audit Executive overall opinion in those areas of coverage during the year.

## 2022/23 Internal Audit and Investigation Key Highlights

Highlights during 2022/23 financial year for the Internal Audit and Investigation Team include: -

- First year of the newly established Internal Audit and Investigation Service (1 April 2022), with new processes and reporting arrangements developed and embedded.
- Successful delivery of the 2022/23 Internal Audit and Investigation Plan (95%) achieved.
- Regular meetings established between the Head of Internal Audit and Investigation (Chief Audit Executive) and the Chair of the Audit Committee and Chief Executive, to bring key issues to their attention and raise the Service's profile.
- Audit training provided for all Members of the AC ensuring that they have the skills required to discharge roles effectively.
- Internal Audit Plan aligned with the Corporate Risk Register demonstrating that the Service focusses on the Council's key risks.
- Areas of High-Risk Concern identified from audits and results of Follow Up activity brought to the attention of the AC.
- Regular Progress reports provided to AC on Internal Audit and Investigation activity, identifying suggested areas for improvement in internal control, governance, risk management and confirming those concerns that have been or are being acted upon by management.
- Chief Audit Executive sign off on Grants monies received by the Council (Covid and other Government Grants). Work undertaken in these areas is also used to inform our annual audit opinion.
- Good results achieved from the National Fraud Initiative Data Matching Exercise; figures calculated by Cabinet Office.
- August / October 2022 Inspection by the Investigatory Powers Commissioners' Office of the Council's Regulation of Investigatory Powers Act (RIPA) Policy, Procedures and working arrangements resulted in a positive outcome and the Council demonstrated a high level of compliance with RIPA requirements.
- External Clients Work - Internal Audit work provided to three local authority external clients with the agreed planned work for all three clients achieved.
- Team exceeded its annual income targets and the Service's budget has been effectively managed with a small underspend at year end.

## 2022/23 Internal Audit and Investigation Plan Status as at 31 March 2023

**Appendix A (I)** below shows the Internal Audit and Investigation Work Plan status as at 31 March 2023. This details audits finalised, at draft report stage or in progress.

In addition, the overall category of Audit Opinion given for each audit. Where audits have received the lower two categories of Audit Opinion (refer Appendix A(II) for definitions), a summary is provided within the quarterly Progress Reports and a full copy of the respective reports is provided to the Chair of the Audit Committee.

As part of the annual Internal Audit and Investigation Plan, we aim to cover a number of Key Corporate Risks to the Council each year. It is not possible to cover all KCRs each year, but they will be reviewed on a rolling programme.

The table opposite details all of the Councils Key Corporate Risks (as at February 2023) and highlights those audited during 2022/23, with the remaining risks intending to be covered in 2023/24 and 2024/25 (the second and third year of the rolling cycle).

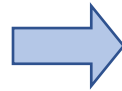
Rank	Ref.	Corporate Risks	2022-23	2023-24	2024-25
1	1	Budget and Financial Resilience - Financial Monitoring - Review of Self-Assessment against the CIPFA Financial Management Code	✓	✓	✓
2=	5	Outcomes and Costs for Children with SEND * (External Assurance – Safety Valve)	* EA	* EA	✓
2=	7	ASC Supplier Sustainability and Sufficiency			✓
2=	8	Cyber Security	✓	✓	
5	17	Sufficiency of School Places		✓	✓
6	12	Health & Social Care Reform			✓
7=	3	Workforce		✓	
7=	4	Uncontrolled Development (Local Plan Update)			✓
7=	15	Inward Migration		✓	
10	16	Public Transport			
11=	2	Corporate Governance	✓	✓	
11=	14	Children's Safeguarding			✓
13=	9	Implementation of Climate Emergency Action Plan	✓		
13=	20	Website replacement (New)			✓
15=	6	Failure to meet statutory duties (Health & Safety)	✓		
15=	19	Information Governance		✓	
17	10	Major Emergency Response (e.g., Pandemic)		✓	
18	18	Elections Act Implementation (Voter ID)			✓
19	13	Adult Safeguarding	✓		

## 2022/23 Internal Audit and Investigation Plan Status as at 31 March 2023

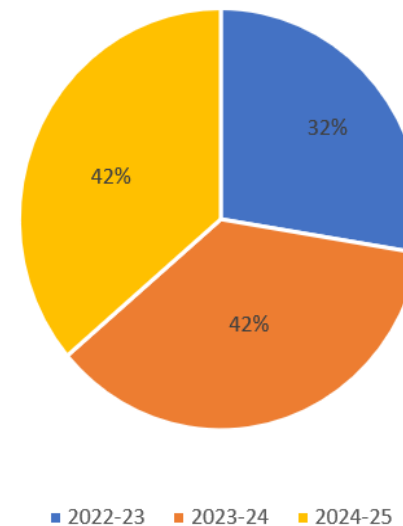
The Corporate Risk Register is a live document and risks enter and leave the register during the course of the year. Therefore, the Internal Audit Plan aims to be dynamic and flexible in order to respond to these changes to ensure Internal Audit activity remains focussed on the key risks to the Council.

The aim is that there is a link of the Internal Audit work directly into the Corporate Risk Register (CRR). This will build over time. There is also flexibility in the Internal Audit Plan to reflect new risks coming into the CRR and those being reduced in risk status or removed from the CRR.

Audit plan coverage also includes a mix of detailed reviews, follow up activity and also a focus on specific aspects of risks, as requested by Directorate Management Teams.



Key Corporate Risks coverage

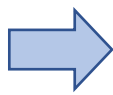
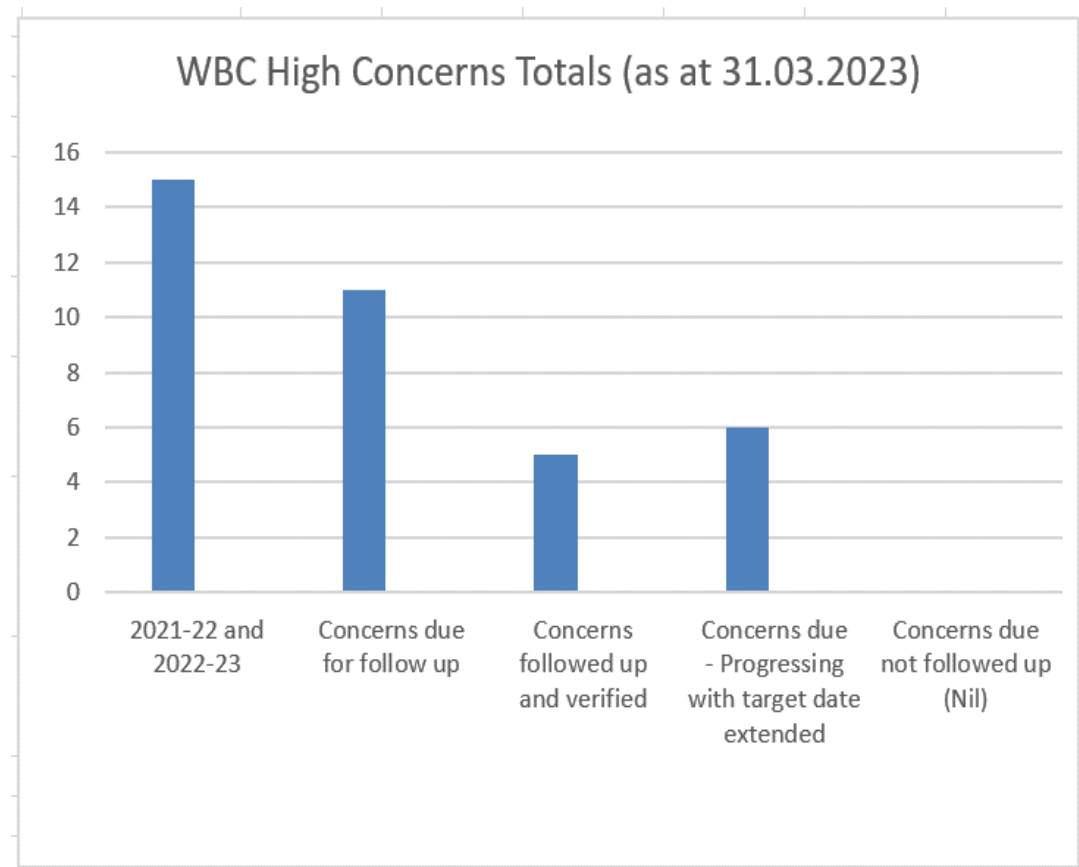


## Follow Up Activity

The results of follow up activity are also included within this report and any audits where there are outstanding management responses to draft reports.

An Action Tracker is maintained to record all High and Medium concerns identified during our audit reviews. Low risk concerns are reported to management verbally at the exit meeting. The Action Tracker is shared with the Chair of the Audit Committee. The graph opposite and table below show totals and follow up activity for High-Risk concerns. At the time of reporting, all due have been followed up with the majority confirmed and verified as being actioned by their due date.

### High Risk Concerns Follow Up

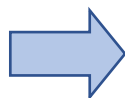


	Highs
2021-22	6
2022-2023	9 = 15
High Concerns due for follow up (2021-22 and 2022-23)	11
High Concerns followed up and verified	5
High Concerns due – Progressing with target date extended	6
Concerns due not verified	0



## Follow Up Activity

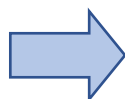
The table opposite shows the total number of High concerns in 2021-22 and 2022-23 and their status of Open or Closed.



Open / Closed Concerns		
Concern	Status	Total
High	Open / Not Yet Due	4
	Closed	5
	Due - Progressing with target date extended	6
Total		15

65

The table opposite shows the total number of High actions, the number of new audit actions raised since the last AC, and the number of High-risk concerns that were Open and Overdue compared to the Previous Quarter. There are no Overdue High-risk concerns.



	Audit Committee 13/03/23 (Q3)	New audit Concerns (in Q4)	Audit Concerns closed (in quarter)	Audit Concerns due and target date extended	Audit Committee 07/06/23 (Q4)
Total High Concerns	8	7			15
Total open High Concerns	6	7	3	6	4
Overdue	0				0
Not yet due	6				4

## High Risk Concerns and Agreed Management Countermeasures

Audit	Audit High Risk concerns	Agreed Management Countermeasure	Actions due and status verified	Proposed Implementation date
<b>2022/23</b>				
<b>Debtors</b>	5	Training issue to be highlighted to all Services. AR to create new policies and procedures / training workshops with Service users.	Progressing / target date extended	31/03/2023 to 30/09/2023
		a) Revenues and Recovery Manager to review the Debtors SLA, processes, and procedures and will engage with service users. b) Robust performance measures were put in place and from 31 <sup>st</sup> July 2022, the invoices raised data will be shown on the reports.	a) Progressing / target date extended b) Complete	31/03/2023 to 30/09/2023 31/07/2022
		Senior Management intervention and debtors restructure will assist improvements. AR team now allocated certain 'patches' and will work with their service counterparts.	Complete	30/09/2022
		The Council needs to consider further innovation in its methods for receiving income.	Progressing / target date extended	31/03/2023 to 30/09/2023
		A reconciliation in 2018 matched payments and is still updated. AR are guided by Building Control re: write-offs, etc. Will continue to seek resolution with the Service.	Ongoing	Ongoing
<b>Contract Management Compliance</b>	4	a) Review approach and resources offered through Procurement & Contracts Team to support development / implementation of the contracts management framework. b) Highways representative to attend the Corporate Contract Management Framework meetings if and when they are set up.	Not yet due Not yet due	30/04/2023 30/04/2023
		a) Improved contract governance through dashboard and business partnering in Procurement. Improved governance through the Strategic Procurement Board. b) Highways is currently looking at the services we deliver and contracts in place. Procurement will assist in understanding the length / expiry of each <u>contract</u> , when we need to start market engagement and the procurement process for each.	Not yet due Not yet due	01/04/2023 31/07/2023

## High Risk Concerns and Agreed Management Countermeasures Contd./...

		Highways is looking to recruit two permanent full-time Asset Specialists and an Asset Technical Assistant, which will assist in audit inspections / on-site inspections. It is also looking to recruit a QS to review all previous applications and identify any errors. As a measurable contract it can be re-visited at <u>anytime</u> during the contract.	Not yet due	30/09/2023
		a) Engagement with Procurement (by Highways) is currently underway in preparation for procurement opportunities for the end of these four contracts. b) The Waste Manager role has been advertised and we hope to fill the position in early 2023. c) To review the contract management arrangements in the central Procurement Team.	Ongoing Not yet due Not yet due	On-going 31/05/2023 01/08/2023

Audit	Audit High Risk concerns	Agreed Management Countermeasure	Actions due and status verified	Proposed Implementation date
2021/22 c/f to 2022-23				
Adult Safeguarding	1	Design and implement a local Quality Assurance Framework and devise a tool to ensure that quality learning takes place. Appoint to new grade 11 role.	Complete	30/06/2022
Recruitment and Safeguarding	2	a) <b>Children's and Adults</b> - Remind managers and verify that safer recruitment training is completed b) <b>HR</b> - Monthly reports to the HR Business Partners on completion of the mandatory training. Resourcing Team (from January 2023) to ensure that training is undertaken.	a) Complete b) Progressing / target date extended	01/12/2022 31/03/23 to 31/07/2023
		a) <b>Children's and Adults</b> - Managers to forward all successful candidates recruitment documentation to HR Enquiries mailbox and retain unsuccessful recruitment documentation. b) <b>HR</b> - Review of all HR operational processes ongoing. Checklist for new starters will require team leader sign-off. Explore IT tracking methods and back-up options.	a) Complete b) Complete	14/11/2022 31/03/2023
Reconciliations	3	Finance will add an annual schedule of key reconciliation checks to the close down programme. This will be passed to Internal Audit to inform audit planning and enable spot checks of key reconciliations related to a Service Area being audited.	Progressing / target date extended	31/03/2023 to 30/09/2023
		a) A project delivery plan is being drafted for Technology Forge and scoping the resource (people and finance) required to enable TF to become the hub for property data. b) An outline governance framework for the new (property recording) process and this will be enhanced once the work on Technology Forge is underway.	a) Progressing / target date extended b) Progressing / target date extended	31/03/2023 to 30/09/2023 31/03/2023 to 30/09/2023

High Risk Concerns and Agreed Management Countermeasures Contd./...

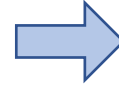
		c) Property Team will investigate to ensure that any income due for the Fixed Asset Register properties is billed and that our liabilities as landlord are being fulfilled. The Property Team are working with Finance on short-term enhancements and manual processes to reduce risks until the <u>longer term</u> solution can be implemented.	c) Progressing / target date extended	31/03/2023 to 30/09/2023
		a) Process mapping is underway to understand processes for investment property and estates property and whether they should be separate or a single process. An action plan will be put in place to harmonise the 2 processes where possible. b) An assessment will be made of the benefit of using managing agents and external legal provision and if viable, management of investment property will be brought in-house (with a view to when current contracts expire).	Complete	31/03/2023  31/03/2023

Implementation verified as complete
Concern progressing / target date extended
Target date not yet due

## Category 3 / 4 Audit Opinions

For reporting to Audit Committee, we provide a summary of audits falling into the lowest two categories of Audit Opinion. Directors help inform the Audit Plan and, as part of that, ask Internal Audit to focus on areas that require more intense scrutiny to help them make improvement. Where audits do fall into the lower two categories of Audit Opinion this may be a reflection of the Audit Plan being targeted at the highest risk areas.

Full copies of audits falling into the Category 3 or 4 Audit Opinion are provided to the Chair of the Audit Committee. During the year, one audit (Debtors) has attracted the third category of audit opinion and has been reported to the AC. There were no audits finalised that attracted the third or fourth Category Audit Opinion.



### Category 3 Opinions

#### Debtors: Summary

The audit identified five high risk concerns which highlighted the need to improve both the consistency of invoicing from the services, e.g., via training, and the communication between the parties. The Service Level Agreement (SLA) setting out the responsibilities of the Debtors team and the services required review and performance measures enhanced. Smarter ways to collect debt should be considered and management of historic building control debt closely monitored.

Progress has been made in the communication with the services although specific training and review of the SLA is yet to take place. Performance measures have been enhanced and building control debt overseen. Consideration of the most effective payment method for all transactions has yet to be fully implemented.

## Fraud and Irregularities

The Internal Audit and Investigation Plan includes provision for undertaking reactive and proactive investigations.

There have been no incidences of material fraud, irregularities or corruption discovered or reported during the year.

The work undertaken by the team during the year has included re-active investigations as well as developing pro-active anti-fraud drives.

A summary of the key areas activity is provided opposite and below.



### Anti-Fraud Activities

**National Fraud Initiative Data Matching Exercise** – The National Fraud Initiative (NFI) is a data matching exercise conducted by the Cabinet Office to assist in the prevention and detection of fraud. Data for the NFI is provided by participating organisations from the public and private sectors including government departments. The 2022/23 exercise is completed, and results are reported below.

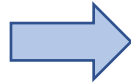
#### Summary of Fraud Investigation Data Matching Results to 31 March 2023

National Fraud Initiative Data Matches	Number	Value (*)
Waiting List (Housing)	31	£132,773.00
Blue Badge with deceased persons	193	£125,450.00
Housing Benefits	1	£5,472.60
Concessionary Passes with deceased persons	125	£3,875.00
<b>Total (NFI)</b>	<b>350</b>	<b>£267,570.60</b>

The values calculated above (\*) are provided by the Cabinet Office and their identification through this Data Matching work prevents ongoing financial loss to the Council.

## Fraud and Irregularities Contd./...

Contd./...  
Other Fraud Activities: -



### Anti-Fraud Activities

**Covid grant post-payment assurance work** - Evidence has been obtained and submitted to the Department for Business, Energy and Industry Strategy (BEIS) in accordance with the requirements of the Covid grant conditions for various Covid business grants paid. These have required certification by the Chief Audit Executive. Grants audited in 2022-23 include: -

- Additional Restrictions Covid-19 Business Grant Scheme
- Omicron Hospitality & Leisure Covid-19 Business Grant Scheme
- Local restrictions support Grant (LRSG) Closed Addendum – November Grant Scheme
- LRSG – Closed Addendum – 5<sup>th</sup> January Onwards Grant Scheme
- Closed Business Lockdown Grant Scheme
- LRSG (Closed) Addendum Tier 4 Grant Scheme
- Local Restrictions Grant Schemes Pre- and Post-Payment Assurance (PPAS) – Part 2
- Restart Grant Pre and Post Payment Assurance (PPAS)

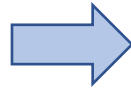
**Whistleblowing Referrals** – there have been 9 Whistleblowing referrals in the financial year. Internal Audit carried out a preliminary investigation into 1 Adult Services referral, and agreed an action plan with Adult Services, which they took forward and have now completed. Of the remainder, 4 of the referrals have been resolved by the relevant service with no further action required and 4 are ongoing.

**Police Data Protection Act (DPA) requests** - These requests are received on an ad-hoc basis and require immediate response to ensure that we are working efficiently with the Police for the prevention and detection of crime, the prosecution and/or apprehension of offenders and/or protecting the vital interests of a person. As at 31<sup>st</sup> March 2023, 46 DPA requests have been received during the financial year and all have been completed and returned.

## Fraud and Irregularities Contd./...

Contd. /...  
Other Fraud Activities: -

### Anti-Fraud Activities



**Pro-active Exercises - Empty Property Relief** - During the first part of the year, an exercise to investigate Council Tax Empty Property Relief was undertaken. The number of letters sent out for the empty property review was 413 with 354 (86%) returned from initial posting or reminder letter and 59 properties visited where no response had been received. Of these, 224 (55%) resulted in a reporting in changes in circumstances. It should be noted that the properties identified in the Council Tax Empty Property Relief exercise as occupied that were previously shown as unoccupied feed into the New Homes Bonus Scheme formula and may result in extra income into the Council through liable charges being raised for previous Council Tax liability.

**Fraud Awareness** – Work has commenced to review and refresh the Council's six Anti-Fraud and Anti-Corruption Policies, and these will be presented to a future meeting of the AC in the Autumn 2023.

Regulation of Investigatory Powers Act (RIPA) refresher training was organised for the Council's RIPA Authorising Officers and delivered by an external company prior to the Inspection by the Investigatory Powers Commissioner's Office (refer below).

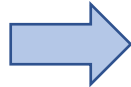
In addition, fraud awareness training has been provided by the Team to the Revenues and Benefits Team to help safeguard the public purse.



## Fraud and Irregularities Contd./...

Contd./...  
Other Fraud Activities:-

Between August and October 2022, the Council received an inspection by the Investigatory Powers Commissioner's Office (IPCO) in respect of its use of the Regulation of Investigatory Powers Act (RIPA). Opposite is a summary of the Inspector's findings.



### Anti-Fraud Activities

#### Regulation of Investigatory Powers Act – Inspection August/October 2022

The Council demonstrated a level of compliance that removes, for the present, the requirement for a physical inspection.

Authorising Officer refresher training was found to be up to date.

The Council's RIPA Policy and Procedures documents were found to be comprehensive and have been updated in line with the recommendations from the previous Inspection.

In accordance with paragraph 4.47 of the Covert Surveillance and Property Interference Code of Practice. The Elected Members are provided with quarterly updates on RIPA activity (or inactivity). There were only two areas for improvement identified in relation to:

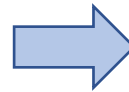
- i) Updating the procedures document to include specific guidance in relation to the destruction of RIPA material.
- ii) It was also suggested that consideration be given to the Assistant Director Governance replacing the Chief Executive Officer as the Senior Responsible Officer (SRO) in terms of practicalities.

No cases were investigated that required RIPA authorisation during 2022/23.

## Resourcing During 2022/23

The Chief Audit Executive is required to ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan. Interpretation: Appropriate refers to the mix of knowledge, skills and other competencies needed to perform the plan. Sufficient refers to the quantity of resources needed to accomplish the plan. Resources are effectively deployed when they are used in a way that optimises the achievement of the approved plan.

The risk-based plan must explain how internal audit's resource requirements have been assessed. Where the chief audit executive believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the AC.



### Resources

A new structure was approved for the Internal Audit and Investigation Team from 1 April 2022/23, following the dissolution of the Shared Internal Audit and Investigation Service. Resourcing was assessed to reflect the council's requirements in terms of internal audit and investigation activity from its risk-based audit process in determining areas of audit and investigation coverage required over the year.

During the early part of 2022/23, two agency staff supplemented the work of the team, and a Contractor was recruited to supplement the Team's investigation resource. This latter role offset a vacant Apprentice post that was established as part of the new Service structure.

A vacant Senior Auditor role was frozen mid-2022/23 in order that the team could contribute towards the Council's financial savings and an in-year review of the originally approved 2022/23 Internal Audit and Investigation Plan was presented to AC approved to offset changes required to the original plan to accommodate this. Assurances were used from other sources to supplement the work of the Internal Audit activity to provide the Internal Audit Opinion.

Business Cases have been prepared and approved by CLT to re-instate the Senior Auditor role and to appoint to the Apprentice role from April 2023.

In addition, a new Corporate Investigation Officer role has been established in addition to the originally approved Team structure and the accompanying Business Case has been approved by CLT. The recruitment process for this role will commence from April 2023.

## 2022/23 Key Internal Audit and Investigation Service Performance Indicators

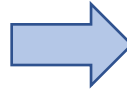
**Performance against completion of the internal annual plan and investigation is measured and reported in Internal Audit and Investigation Activity.**

**A basket of indicators covering a range of indicators is provided opposite with targets and actual performance for the 2022/23 financial year.**

Aspect of Service	IAIS Performance Indicator	Target	Actual Performance
Quality	Annual Audit Plan approved by Audit Committee	End April 2022	2022/23 Internal Audit and Investigation Plan Approved by Audit Committee on 30/3/2022
	Annual Audit Report and Opinion	End June 2022	2021/22 Annual Internal Audit and Investigation Report and Opinion noted by Audit Committee - 1/6/2022
	Audit Satisfaction Surveys regarding benefits and value of the service	90% Satisfied	
Productivity and Process Efficiency	Audit Plan – completion to draft report stage	Annual 90%	On 31 March 2023, achieved 95 %
Key Corporate Risks Audited	Audit all KCRs over 3-year rolling period. Planned coverage 2022/23	7	7
Compliance with Professional Standards	Public Sector Internal Audit Standards	“Generally, Conforms” (Highest category of Opinion)	External Quality Assurance to be undertaken June/July 2023 (results to be reported in 2023/24 Quarterly Progress Report)  Self-Assessment completed to support and inform the External Review
	Relevant legislation such as Police & Criminal Evidence Act, Criminal Procedures & Investigations; Regulation of Investigatory Powers (RIPA) Act	Conforms	No evidence of non-compliance identified  Training on RIPA/Authorised Officer Powers received for Team/wider Council
Outcome & Degree of Influence	Implementation of management actions agreed in response to audit findings	95% (high priority agreed actions)	100% High priority concerns have agreed management actions
IAIS Staff	Professionally Qualified / Accredited	80%	80%

## External Clients

**The Council undertakes internal audit work for other local authorities under S113 Agreements. For the 2022/23 financial year, this work was undertaken for three other authorities.**



### Internal Audit Work to Provided External Clients

In addition to the WBC internal Audit and investigation Plan coverage, internal audit work is provided to three client authorities. During the 2022/23 financial year, this work increased in terms of days provided overall. All internal audit work agreed to be undertaken during 2022/23 was completed for each of the three clients by 31 March 2023.

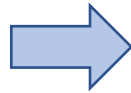
## Public Sector Internal Audit Standards

Internal Audit work is undertaken to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Compliance is monitored within the team on a periodic basis, as part of the review process for individual audits and annual self-assessment reviews.

A Quality Assurance and Improvement Plan (QAIP) has been developed to include the internal and external assessments to incorporate developments identified internally and from external benchmarking assessments.

This acknowledges that high standards can be delivered by managers, but also to acknowledge that improvements can be further developed from benchmarking outside of the organisation.



### Compliance with Public Sector Internal Audit Standards

The PSIAS, as revised in April 2017, define the service and professional standards for public sector internal audit services.

Key, specific PSIAS provisions include:

PSIAS: 2010 - *“The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals.”*

PSIAS: 2450 – *“The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.”*

Under these standards, we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. The last external review was undertaken in 2018, with an ongoing self-assessment exercise being undertaken periodically. A further external review of the Service against the PSIAS is programmed for June/July 2023. The outcome of the External Review will be reported to a future meeting of the AC.

**Appendix A(I)**

## 2022/23 Internal Audit and Investigation Annual Report (1 April 2022 to 31 March 2023)

**Key Financial Systems**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
Debtors	Resources & Assets	Final	3
Housing Rents	Place & Growth	Final	2

**Key Corporate Risks**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
Budget & Financial Resilience - Financial Monitoring	Resources & Assets	Draft	
Budget & Financial Resilience - Review of Self-Assessment against the CIPFA Financial Management Code	Resources & Assets	Final	2
Information Governance & Cyber Security – Self Assessment of Council's Arrangements (Advisory)	Chief Executive's	Final	n/a

**Key Operational Risks**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
New Enforcement & Safety Service	Place & Growth	Final	2
Contract / Client Management Compliance	Place & Growth	Final	2

**Governance Building Blocks**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
Risk Management	Cross Cutting	Draft	

**Appendix A(I) Contd./...****Servicing the Business**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
Annual Governance Statement preparation 2021/22	Cross Cutting	n/a	n/a
Bearwood School	Children's Services	Final	2
Effectiveness of System of Internal Audit / Public Sector Internal Audit Standards External Assessment Preparation	Cross Cutting	Ongoing	n/a
Follow Up Countermeasures / Testing	Cross Cutting	Ongoing	Reported in Main Report

## Appendix A(I) Contd./...

**Grant Certifications**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
Protect & Vaccinate	Adult Services	Certified	n/a
Supporting Families (Quarter 1)	Children's Services	Certified	n/a
Supporting Families (Quarter 2)	Children's Services	Certified	n/a
Supporting Families (Quarter 3)	Children's Services	Certified	n/a
Supporting Families (Quarter 4)	Children's Services	Certified	n/a
Homelessness Prevention	Place & Growth	Certified	n/a
DfT Transport Capital Grant	Place & Growth	Certified	n/a
Rough Sleeping Accommodation Programme	Place & Growth	Certified	n/a
Disabled Facilities Grant	Adult Services	Certified	n/a
Test and Trace Support	Resources & Assets	Certified	n/a
Covid Grants – Post Payment Assurance Checks	Resources & Assets		
<ul style="list-style-type: none"> <li>• Additional Restrictions Covid-19 Business Grant Scheme</li> <li>• Omicron Hospitality &amp; Leisure Covid-19 Business Grant Scheme</li> <li>• Local restrictions support Grant (LRSG) Closed Addendum – November Grant Scheme</li> <li>• LRSG – Closed Addendum – 5<sup>th</sup> January Onwards Grant Scheme</li> <li>• Closed Business Lockdown Grant Scheme</li> <li>• LRSG (Closed) Addendum Tier 4 Grant Scheme</li> <li>• Restart Grant Scheme</li> <li>• Local Restrictions Grant Schemes Pre and Post Payment Assurance (PPAS) – Part 2</li> <li>• Restart Grant Pre and Post Payment Assurance (PPAS)</li> </ul>		Certified Certified Certified  Certified Certified Certified Certified Certified  Certified	n/a n/a n/a  n/a n/a n/a n/a n/a  n/a

08

**Contingency/Consultancy/Management Requests**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
S106 Agreements	Place & Growth	Final	2
Right to Buy	Place and Growth	Draft	



**Appendix A(I) Contd./...****Investigations**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
National Fraud Initiative Data Matching Exercise (2022/23 Exercise)	Cross Cutting	Completed	Results reported in Main Report
Empty Property Relief	Resources & Assets	Completed	Results reported in Main Report
Whistleblowing Preliminary Investigation	Adults	Completed	n/a
Revenues & Benefits Fraud Awareness Training	Resources & Assets	Completed	n/a
Regulation of Investigatory Powers Act – Policy and Procedures Refresh	Cross Cutting	WIP	n/a
Regulation of Investigatory Powers Act Training	Cross Cutting	Completed	n/a
Investigatory Powers Commissioners Office Inspection	Cross Cutting	Completed	IPCO Report received 15/11/22 – results reported in Q2 Progress Report & Main Report
Police Disclosure of Personal Data Requests	Resources & Assets	Ongoing	n/a

**Appendix A(I) Contd./...****2021/22 Audits Completed in 2022/23**

<b>Audit title</b>	<b>Directorate</b>	<b>Status</b>	<b>Final audit report opinion</b>
Climate Emergency	Place & Growth	Final	2
Benefits & CTRS	Resources & Assets	Final	1
Reconciliation (Consultancy)	Resources & Assets	Final	2
Public Protection Partnership Review (Advisory)	Place & Growth	Final	n/a
Recruitment & Safeguarding (Management Request)	Chief Executive	Final	2
Diversity & Equality Self-Assessment Verification	Cross Cutting	Final	n/a
Equality Data	Cross Cutting	Final	2
General Ledger	Resources & Assets	Final	2

**Appendix A(II)**

**Audit Opinions**

1 - Complete and Effective

2 - Substantially Complete and Generally Effective

3 - Range of Risk Mitigation Controls is incomplete, and risks are not effectively mitigated

4 - There is no effective Risk Management process in place

C - Certification

E – Exempt

WIP – Work in Progress

Draft – Draft Report stage

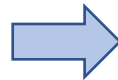
Final – Final Report issued

## Appendix A(II)

## Audit Opinion Definitions

The Audit Opinion stated in the audit report provides management with a brief objective assessment of the status of current Treatment Measures which have been put in place to reduce identified risks to the operation or strategy under review. It is not a statement of fact.

In reaching the Audit Opinion for this audit, the majority of the criteria for the relevant definition apply.

**Complete and Effective**

- ◆ All necessary Treatment Measures are in place and are operating effectively.
- ◆ Residual risks have been reduced to an acceptable level.
- ◆ There are no unacceptable financial implications.
- ◆ Concerns reported are minor.

(Risk management processes are strong, and controls are adequate and effective).

**Substantially Complete and Generally Effective**

- ◆ Most key Treatment Measures are in place, and these operate effectively.
- ◆ The majority of residual risks have been reduced to an acceptable level.
- ◆ There are minor unacceptable financial implications.
- ◆ The majority of concerns are of a predominately moderate impact/likelihood.

(Risk management processes are good, and controls are adequate although only partially effective).

**Range of Risk Mitigation Controls is incomplete, and risks are not effectively mitigated**

- ◆ Not all key Treatment Measures are in place and / or do not operate effectively.
- ◆ Residual risks have not all been reduced to an acceptable level.
- ◆ There are some unacceptable financial implications associated with more than one risk mitigation control or because of a lack of risk mitigation control.
- ◆ There are a number of concerns that are predominantly of a major impact/likelihood.

(Risk management processes and controls are adequate but not effective in mitigating the identified risks).

**There is no effective Risk Management process in place**

- ◆ There are no appropriate Treatment Measures in place.
- ◆ Residual risks remain at an unacceptable level.
- ◆ Reported concerns are predominantly of a catastrophic or major impact/likelihood.

(Risk management processes and controls are weak).