



Internal Audit Progress Report – November 2023

The Head of Internal Audit is required to provide a written status report to Senior Management and Members, summarising internal audit activity.

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Additional Report - Final Report Housing Compliance and Control Account Reconciliation.

Role of Internal Audit

The requirement for an internal audit function in local governance is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

'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 and guidance.'

The standards for 'proper practices'; are laid down in the Public Sector Internal Audit Standards [the Standards -updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as 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'.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the District Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

The Purpose of the Report

In accordance with the proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter, the Head of Internal Audit is required to provide a written status report to Senior Management and Members summarising:

- the status of live internal audit reports.
- an update on progress against the internal audit plan.
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact of the Head of Internal Audits annual opinion.

From June 2023, internal audit reviews culminate in a revised opinion rating 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 of the service area under review. Assurance opinions are categorised as follows:

Substantial A reliable system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Adequate There is a generally reliable system of governance, risk management and control in place. Some issues of non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control are inadequate to effectively manage risks in the achievement of the objectives for the area audited.

This is a change to the assurance categorisation used during 2022/2023.

The revised ratings align with terminology widely used across the public sector. They also provide less subjective definitions and improve understanding for areas of non-compliance or in monitoring the work required for any fundamental deficiency identified.

Performance Dashboard

Figure 1

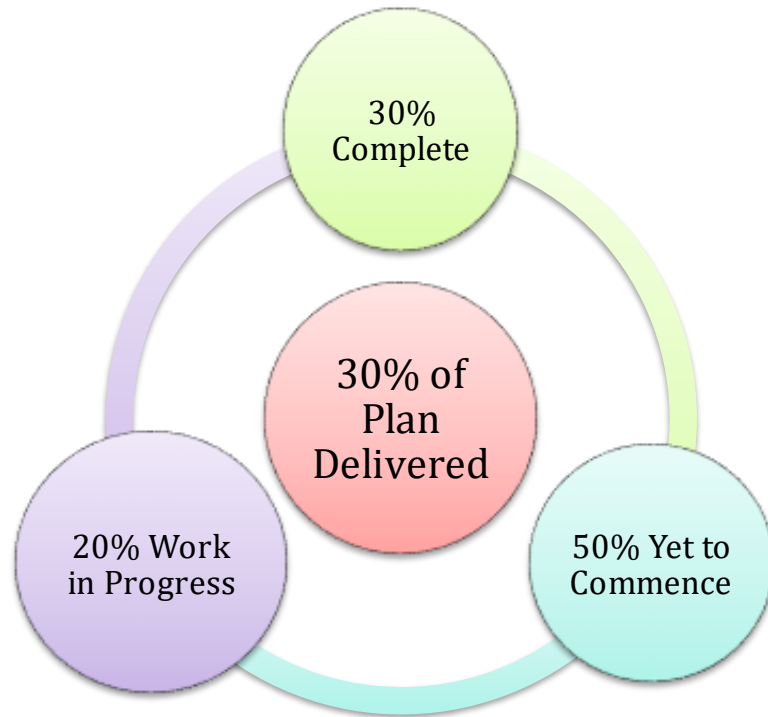


Figure 1 shows the completion of the internal audit plan to date. The team has been introduced to individually planning audit reviews to support timely delivery and reporting. Line managers are involved in the oversight of delivery plans for each audit and responsible for delivery on milestone agreed during the planning stage. The audit managers are responsible for the effective and timely delivery of their audit plans across the service.

Figure 2 shows the feedback received from officers for work completed. There is an expectation that all clients will provide feedback on their audit experience with the team. The results of audit feedback will be used by managers in developing team and individual improvements as well as to inform training requirements and quality learning across the entire audit team.

We have received one feedback form, for the Peer Review Audit.

Figure 2



Update on Internal Audit Activity

Since the last progress report, two limited assurance reviews have been finalised. These are for the Housing Compliance and Control Account reconciliation reviews.

The full limited assurance reports are attached as additional documents to be reported with the progress report to committee.

A further 14 reviews have been completed since our last progress report, two from TIAA, the previous internal audit provider and 12 from Lincolnshire Internal Audit. Details of all work completed by audit is included in the report.

We have also supported the Council with grant funding testing and training for new members of the Audit Committee.

We regularly report on whether agreed management actions from audits have been implemented by the agreed implementation date. There are five high priority findings which are overdue. The oldest implementation date is 31/07/2023.

There are 11 medium priority findings which are overdue. The oldest implementation date is 28/02/2020. Details of all overdue actions are recorded in Appendix 1 & 2.

Analysis of Audit Reviews

The table below shows the audits completed since April 2023 along with details of the position of actions as at 31 October 2023.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Actions	Not Accepted	Not Yet Due	Completed	Overdue			
2023/24								High	Medium	Low	Critical
Car Parks & Markets - TIAA	Sep-23	P. Perry AD	Consultancy	10	0	10	0	0	0	0	0
Housing Compliance - TIAA	Sep-23	J. King	Limited	12	1	11	0	0	0	0	0
Risk Management	Aug-23	J. Medler AD	Adequate / Substantial	8	0	3	5	0	0	0	0
SHDC Leisure Highlight Report	Aug-23	P. Perry AD	Consultancy	10	0	6	0	1	3	0	0
SHDC Key Controls NNDR	May-23	S. Hammond	Substantial / High	0	0	0	0	0	0	0	0
SHDC Key Controls Council Tax	May-23	S. Hammond	Adequate / Substantial	1	0	0	1	0	0	0	0

SHDC Key Controls Housing Rents	Jun-23	J. King	Adequate / Substantial	2	0	0	1	0	1	0	0
Anti Virus & Malware	May-23	J. Wright & J. Gilbert	Adequate / Substantial	5	0	2	0	0	3	0	0
ICT Project Management	Aug-23	J. Wright & J. Gilbert	Adequate / Substantial	1	0	1	0	0	0	0	0
Key Controls - Journals	Aug-23	C. Marshall S151	Adequate / Substantial	1	0	0	0	0	1	0	0
Key Controls - Control Account Reconciliations	Aug-23	C. Marshall S151	Limited	10	0	0	2	3	5	0	0
SHDC Key Control testing Housing Benefits	Aug-23	C. Marshall S151	Substantial / High	0	0	0	0	0	0	0	0
SELCP - Peer Review	Jul-23	James Gilbert AD	Substantial	2	0	0	2	0	0	0	0
SELCP -ICT - High Risks Review	Aug-23	Jackie Wright & James Gilbert	Adequate	6	0	6	0	0	0	0	0
SELCP - Recruitment & Retention	Aug-23	Aileen Watmore & James Gilbert	Adequate	3	0	2	0	0	1	0	0
ICT Systems Security	Jul-23	J. Wright & J. Gilbert	Adequate/ Substantial	4	0	2	1	0	1	0	0
TOTAL				75	1	43	12	4	15	0	0

Executive Summaries of ‘Limited’ or ‘No’ Assurance Opinions

The table below provides a summary of the limited or no assurance reports published since the last progress report. It also contains any management updates and progress made since the report was issued.

Audit Review Title: Housing Compliance					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
J. King – Assistant Director Housing	Limited	Low 2	Medium 9	High 1	Critical 0
<p>Summary of Key Observations:</p> <p>This review was carried out by the previous Internal Audit provider TIAA Ltd. A review of housing compliance checks has not been undertaken recently. This audit sought to provide assurance that controls and performance data relating to gas, electricity, fire and asbestos safety and water/legionella, are robust. The audit made several recommendations to address issues with monitoring and the control environment, specific areas include: -</p> <p>Not all electrical safety inspections have been completed within the five-year good practice cycle. At the time of the audit there were 700 electrical inspections due, where the last inspection was over five years ago. There is a risk that electrical defects and or age related wear and tear is not monitored and repaired.</p> <p>There is a need for the Council to introduce overarching written procedures / guidance that explains / demonstrates how it seeks assurances from third party contractors, that each contractor is complying with the Council's regulatory requirements and how this assurance is being managed / evidenced.</p>					

Substantiating compliance with regulatory requirements / good practice was hindered due to a hybrid of supporting records used for administering activity including contractor portals; some still in their infancy, use of shared folders, excel spreadsheets, which are not entirely reliable / accurate and Northgate, which is not being fully utilised.

There is a need for an annual reconciliation between the gas and electric contractor's property records and those of the Council with testing identifying discrepancies with the contractor not informed of some new developments and thus not recorded for inspection purposes.

The final report was issued in September 2023, the full report is attached as Appendix 3.

Audit Review Title: Key Control testing – Control Account Reconciliation					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
Section 151 officer	Limited	Low 0	Medium 6	High 6	Critical 0
Summary of Key Observations:					
<p>Key controls for reconciliation of the accounts receivable and accounts payable control accounts were found to be operating effectively, however due to issues identified in respect of the payroll control account reconciliation i.e. lack of regular reconciliation, significant variances identified, timeliness of corrections, we have only been able to award a Limited assurance opinion in this area.</p> <ul style="list-style-type: none"> Payroll control account reconciliations have not been completed on a regular monthly basis. Reconciliations did not commence until September 2022, furthermore, only one reconciliation was undertaken in January 2023 and none in February 2023. 					

- Review of reconciliations identified variances due to coding errors i.e., payrollsSystem codes were mapped to incorrect account codes within the finance system. Whilst errors were identified and explanations recorded during the year, most were not corrected until the year end.
- Senior management at PSPS and SELCP were not formally advised of delays in reconciliations during 22/23 or the key issues being identified i.e., mapping/coding errors, no formal escalation process exists.
- Queries raised with the Payroll Team remained outstanding for significant periods of time, i.e. 3 – 6 months. There were also queries raised by HALO ticket that were closed before being resolved. Whilst ‘chase’ e-mails on occasion were sent to the Payroll Team, there has been no escalation of outstanding queries to senior officers.
- Reconciliations have not been signed or dated by the officer preparing, or by the reviewer.
- The PSPS Finance Officer responsible for carrying out reconciliations was on maternity leave until August 2022 and has now left the employ of PSPS (May 23). Responsibility for payroll reconciliations in future has yet to be assigned.

The final report was issued in July 2023, the full report is attached as Appendix 3.

Executive Summaries of ‘Substantial’ or ‘Adequate’ Assurance Opinions

The table below provides a summary of the substantial or adequate assurance reports published since the last progress report.

Audit Review Title: Car parks & Markets					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
P. Perry AD Leisure and Culture	Consultancy – no opinion	Low 0	Medium 10	High 0	Critical 0
<p>Summary of Key Observations:</p> <p>The final report form the previous audit provider TIAA Ltd. The objective of the audit was to review the systems and controls in place, to help confirm that these are operating adequately, effectively and efficiently. This includes both work completed and suggestions for management and the current internal audit provider to consider going forward.</p> <p>The report raises the following issues –</p> <ul style="list-style-type: none"> • Due to a combination of audit resources, including the cessation of the Eastern Internal Audit Services (EIAS) contract from 30th September 2022 with South Holland DC and changes to the service with Markets moving to the Leisure and Culture Directorate and Car Parks moving to the Assets and General Fund Directorate, it was agreed to conclude the audit prior to completion of the audit fieldwork. Consequently, this update provides an overview of the work completed and points for both senior management and the current internal audit service to consider going forward. • A limited assurance opinion was given on car parks and markets in 2019/20. This review followed up on the recommendations raised in the previous reports for both areas. Areas to be followed up, include <ul style="list-style-type: none"> ○ to confirm that current MoUs have been signed and dated by all relevant parties and are in date. 					

- to confirm current arrangements for cash collection and compliance with procurement rules.
- to confirm current arrangements for maintenance of the car parking machines and compliance with procurement rules.
- to establish whether written procedures have been produced as per the original recommendation and to ensure that they cover arrangements for oversight of season tickets.
- to confirm and obtain evidence of the agreement between LCC/SHDC/APCOA for off-street parking enforcement to November 2024.
- to sample test correct payment of season tickets.
- to consider carrying out the testing not completed from this audit, due to circumstances described above.

Audit Review Title: Risk Management					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
AD Governance and Monitoring Officer.	Adequate	Low 0	Medium 8	High 0	Critical 0
Summary of Key Observations:					
<p>We identified a number of areas of good practice covering risk management processes and activities. The adequate assurance level reflects the identification of areas where vulnerabilities exist, or existing arrangements could be improved or fall below recognised good practice levels. which support the assurance opinion.</p> <p>At the time of the audit, two systems were operational because a new, dedicated system, Pentana, had been recently introduced . Data in the previous (Excel spreadsheet) system had been only partially migrated to the new system. The data migration should be completed – including data cleansing - as soon as practicable to ensure that benefits (reporting etc) of the new system can be realised as soon as possible.</p>					

Examination of the risk registers revealed that some key fields were not populated, including some of the 'risk owner' fields. Similarly in the operational risk registers there are some empty data fields, such as risk appetite, risk treatment and also a number of the risk mitigation data fields which is where the controls bring a risk score down from its gross (inherent) score to its net (residual) score.

Risks registers currently still in the Excel spreadsheet (operational risk registers) are not necessarily being checked as current and confirmed as being accurately stated as they will be when they are migrated into the Pentana system, when this will become an automated procedure.

Review of the risk mitigations (that are intended to describe how the control(s) applied to a risk work) showed that some are general and high level, rather than specific. This lack of precision, whilst not uncommon, makes it more difficult to establish how the controls are to be properly applied to manage the risk.

The (draft) Risk Management Policy provided to the audit requires updating, approving at the appropriate level and formally adopting.

Audit Review Title: Leisure Highlight Report

Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
P. Perry AD Leisure & Culture	Not Applicable	Low 1	Medium 3	High 6	Critical 0

Summary of Key Observations:

Our work identified the following key issues

- There are no registers of the maintenance-related risks in place at the leisure sites that could impact upon the leisure provision. These should be developed and regularly reviewed to ensure that the risks are properly managed and remedial action prioritised.
- There has been no regular dialogue between Parkwood and the owners of the Peele leisure site since April 2022. Periodic management meetings should be introduced to ensure that site issues are promptly addressed.
- Health and Safety inspections of the Peele leisure site have not been undertaken since April 2022. These should be carried out to ensure that contractual and legal obligations are being adhered to.

It should be noted that these issues were known to management and mitigating actions are planned to address them.

Other areas for improvement have been identified around the tracking of completion of issues raised during monthly site inspections and the consideration of the risks and obligations associated with a potential award of government funding for the Castle Swimming Pool.

The actions identified in the plan below are due for completion by 30 November 2023.

We plan to complete another leisure highlight report on the contract management and financial control aspects of the service. This will be included in our next progress report.

Audit Review Title: Key Controls – National Non-Domestic Rates and Council Tax					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
Head of Department Revenues and Benefits	High/Substantial	Low 0	Medium 1	High 0	Critical 0
Summary of Key Observations:					
<p>For Revenues as a whole, the key controls tested are operating effectively and are well controlled. For all three of the SELCP councils we are therefore able to give a high assurance opinion for Non Domestic Rates (NDR). Due to one finding specific to Council Tax (highlighted below), a substantial opinion has been awarded for Council Tax.</p> <p>The signed and counter-signed records evidencing the independent accuracy checks and senior officer sign-off performed on the SELCP councils' 2022/23 council tax system parameters and precepts could not be located or verified.</p>					

Audit Review Title Key Controls Housing Rents					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
AD Housing	Substantial/ Adequate	Low 0	Medium 2	High 0	Critical 0
<p>Summary of Key Observations:</p> <p>Overall, we can provide a substantial level of assurance that there are sound systems of internal control in place within the Housing Rents system and that these are operating effectively.</p> <p>Annual rent calculation parameters have been approved appropriately and applied correctly. A comprehensive rents calculator model provides significant detail of individual rent calculations. The accuracy and completeness of rents once uploaded into Northgate has been confirmed by sample checking.</p> <p>Regular reconciliation is carried out between Northgate and payment office collections and the Housing Benefit System, with reports retained to support these reconciliations. Whilst variances are identified and investigated, reasons for housing benefit system variances are not always recorded on the reconciliation spreadsheet or reconciliations signed/dated on completion.</p> <p>Our review has identified that no housing rent bad debts have been written off since 21/22. A report provided during our review confirms 77 housing rent accounts are currently awaiting submission to the S151 Officer for write off approval, with balances totalling £5,224.59.</p>					

Audit Review Title: Anti-Virus and Malware

Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
Head of ICT and AD Corporate	Substantial/ Adequate	Low 0	Medium 5	High 0	Critical 0

Summary of Key Observations:

We have concluded that substantial assurance can be given for the adequacy of security measures in place to protect key Council services against the threat of virus and malware infection.

We identified several areas of good practice covering policies and processes; We have made the following recommendations to strengthen controls and align to best practice.

- Rename and/or disable the default administrator account across all Active Directory domains;
- Review and disable auto play and auto run to prevent the installation of unlicensed software or malware infected executable files;
- Protect data backup media from ransomware infection by storing backup media in a minimum of 3 separate locations;
- Review Active Directory security settings to disable by default macros on Microsoft Office files; and
- The need to implement a programme of annual phishing security tests across Boston Borough, East Lindsey District, and South Holland District Councils.

Audit Review Title: ICT Project Management		
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions

Head of ICT and AD Corporate	Substantial/ Adequate	Low 0	Medium 0	High 0	Critical 0
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Summary of Key Observations:

We identified a number of areas of good practice covering elements of the project management system, as follows.

- The ICT project management framework documentation is up to date and comprehensive and sits within an overarching SELCP project management framework.
- ICT projects are now being monitored via the Digital Strategy Delivery Tracker (new for 2023/24) ensuring that projects are aligned to corporate strategies / objectives.
- The digital tracker also identifies project size and scale thus, the project management techniques and approach can be determined; i.e. large project having a full project management approach, whilst a project described as ‘business as usual’ will have a cut down version as deemed appropriate to the project size.
- Project expenditure is monitored, and evidence was seen during the site visit or obtained that confirmed that project budget and expenditure monitoring is taking place.
- Highlight Reports have been completed to provide evidence of continuing monitoring of progress and delivery of projects against agreed milestones.

There was one area for improvement identified - ICT project management is a key enabler of effective Council services. ICT Project Management is not included in the SLA with the partnership and PSPS confirmed that they do not have dedicated ICT project managers. ICT project management will increase in importance as system renewal and system alignment within the partnership progresses at pace.

Audit Review Title: Key Controls Journals		
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions

Section 151 officer	Substantial/ Adequate	Low 0	Medium 1	High 0	Critical 0
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Summary of Key Observations:

Overall, key controls for the input and authorisation of manual journals are operating effectively, we are therefore able to give a substantial assurance opinion in this area.

- Manual journals are processed through workflow within Unit 4. Clear guidance is available to confirm how to enter/approve journals within the finance system.
- Journals are appropriately approved in a timely manner. Approval groups set up within workflow, ensure journals are reviewed/approved by an appropriate line manager and segregation of duties (between input and approval) is enforced.
- In 2/15 cases evidence was not available to support the journal. Whether the journal had been accurately input could therefore not be confirmed. A facility within Unit 4 that allows journal documentation to be attached is not being fully utilised.

Audit Review Title: Key Controls Housing Benefits

Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
Head of Revenues and Benefits	High /Substantial	Low 0	Medium 0	High 0	Critical 0

Summary of Key Observations:

Our overall Audit testing for SELCP confirmed that:

- Payments over the £1,000 upper threshold (high value payments) are subject to independent review by the Quality Assurance (QA) Team (ELDC & SHDC) or a Senior Benefits Officer (BBC) before payment. The anticipated full incorporation of BBC within the Capital One QA system module later in 2023/24 will, once implemented, unify this process for the whole of SELCP.
- The correct classification of overpayments is checked by the QA Team as part of a wider quality regime. Whilst not checked as a discrete population (it is not an identified problem area), continuing development of the QA module in 2023/24 will aid improved

categorisation of quality assured cases, and in turn, more targeted sampling and improved analysis of error types (including overpayments).

- The sampled overpayments had all been through appropriate recovery stages (in line with SELCP Debt Recovery policies and legislated timescales), with evidence from system records of ongoing monitoring, recovery action being taken, and payments being made by customers as appropriate. A programme is ongoing to assess historic debts being carried and to kick-start re-engagement where deemed appropriate.
- Staff performance for processing claims is actively and routinely monitored by the QA Team in accordance with an overarching QA policy (reviewed annually). Full records exist to support the QA checks being made. There are clear procedures and mechanisms in place for performance-assessing and providing feedback to assessors, as well as regular reporting to Team Leaders and Management for oversight and to ensure lower performance is addressed and necessary training identified.

There were no recommendations made from this review.

Audit Review Title: Peer Review SELCP					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
AD Corporate	Substantial/ Adequate	Low 1	Medium 1	High 0	Critical 0
Summary of Key Observations:					
Our work has found that most recommendations highlighted following the SELCP Peer Review have been addressed or are on track to be completed in the timely manner. A significant number of areas have been strengthened in relation to organisational and place leadership,					

governance and culture, financial planning and management and local priorities and outcomes. Work has been put into the development of strategies and procedures leading to improvements in partnership working and a clearly defined strategic vision.

Areas where we noted improvements in line with the recommendations highlighted in the review included:

- The clear development and implementation of a communications strategy, and narrative which is in the process of being embedded throughout the partnership both internally and externally.
- The successful merger of SLT across the 3 authorities, resulting in synergy and cohesion within collaboration between the senior leadership, in turn creating consistency and alignment on structures, governance and adopting best practice to realise the efficiency and productivity benefits of the Partnership.
- Increased focus on staff support, particularly surrounding mental health, with the implementation of mental health first aiders, mental health awareness week, desktop icons, media refresh and the launch of Maximus Mental Health Support.

Audit Review Title: ICT High Risks Review					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
Senior Management Team & the Head of ICT.	Substantial/ Adequate	Low 0	Medium 2	High 1	Critical 0
Summary of Key Observations:					
Overall management of the ICT high risks is good with responsibility for approving current risks sitting with the Assistant Director - Corporate and the ICT Management Board maintaining oversight in line with their terms of reference. The Board meet monthly and is comprised of					

both PPSL ICT and SELCP officers. Senior management oversight is provided by the Governance Board where the progress of mitigating action taken to reduce the identified risks is regularly reported.

To further strengthen the management and review of high risks we have identified the following recommendations:

- Uptake of cyber awareness training by officers is low with 20% of staff having completed the mandatory training in the last 12 months. The users of the Councils systems are a significant threat to cyber security, and it is essential they undertake cyber awareness training regularly to remain informed of the latest threats. The Senior Leadership Team in SELCP should take accountability of this risk and drive the importance of this training through to staff to ensure all staff have completed by December 2023.
- Boston Borough Council was recently refused cyber insurance which means they are not currently insured against the financial impact resulting from an attack on the network. Another application has been submitted and at the time of producing this report the outcome was unknown. Cyber insurance is important in protecting the Council against the effects of cybercrimes. The large number of applications and devices the council deploy increases their vulnerability to attacks and obtaining suitable insurance should continue to be actively pursued.
- The current ICT risk register does not have a responsible risk owner or review dates. The allocation of a risk owner supports ownership of the risk and ensures there is an accountable officer responsible for managing the risk and mitigating actions. Review dates ensure risks are regularly reported and assessed.

Audit Review Title: Recruitment & Retention					
Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
AD Corporate	Substantial/ Adequate	Low 0	Medium 3	High 0	Critical 0
Summary of Key Observations:					

Our review confirmed that there are insightful and robust strategies to improve the retention of staff either in place or in the process of being fully embedded. However, as some of these procedures are still in the early stages it is difficult to ascertain their effectiveness.

Strategies that have been implemented so far align with the local government association's recommendations for addressing the workforce capacity crisis in local government and have resulted in the following positive outcomes:

- The utilisation of apprenticeship levies: There are currently four members of staff in the second year of their apprenticeship and 21 either in their first year or about to begin. This is three times the number of staff that were previously studying for qualifications across the partnership.
- Committing £250,000 to training and development across the partnership for 2023/24.
- Positive exposure for the partnership has been provided by the success of the Future Leaders Programme (FLP) in local schools and career fairs resulting in encouraging feedback.
- Embedding proactive succession planning to identify gaps in service, potential apprenticeship applicants and develop clear career plans – changing the culture to prioritise future planning over reactive team management.

The following areas were included in the action plan –

- The percentage of leavers has been consistent or increased throughout the three authorities for quarter one this year. Currently, there is a low uptake on exit interviews, and those that are completed are broad in their reasons for employees leaving.
- There is an opportunity to collate more data to strengthen the recruitment process. The partnership currently has limited data to support what makes a recruitment drive successful. There is little benchmarking and while the partnership does collect some data from new starters, this could be more detailed, and a more integral part of the induction process.
- Certain projects have been successful in retaining employees by offering development and career mapping. However, the overall implementation of all the strategies is a long-term project, that will take several months or years to be fully embedded and implemented consistently throughout the partnership. It will also take long term detailed data collection to confirm the impact these strategies have had.

Audit Sponsor	Assurance Opinion/ Equivalent	Management Actions			
Head of ICT & Digital	Substantial/ Adequate	Low 0	Medium 4	High 0	Critical 0

Summary of Key Observations:

We reviewed the arrangements for adding and removing users, as well as the security measures for preventing unauthorised access to both the Bartec and Scuba systems. Overall, arrangements were sound and we have provided a substantial assurance opinion.

As part of our review we examined:

- The management of users of the system, looking at how new users are added and how persons no longer requiring access are removed.
- The security arrangements that help ensure only authorised persons can access the applications that we reviewed.
- How permissions are allocated to users of the system, i.e., users are only able to see the data and use elements of the system that are necessary for their role.
- What key parameters/standing data may be present in the system (data that is used by the system to perform calculations and inform outputs, e.g., VAT rates, prices, etc.) and how this information is protected.

The areas we examined were on the whole found to be adequately controlled. We have we have made four recommendations relating to ensuring that applications are secure. We identified that the password construction arrangements for Bartec were deficient and not consistent with the PSPS Information Security Policy relating to Access. We have recommended that this is brought up to the corporate standard.

Planning and Resourcing

Quarter 1 and 2 work is largely complete, with only two audits from quarter two currently still in progress. This is a significant improvement on delivery and reflects the new audit approach and engagement of Council officers to get work completed. Quarter three work is underway with all audits planned in with council and PSPSL colleagues.

Section 7 shares an update on the delivery programme for the Council audits. The report holds a maximum of two years of internal audit work to allow the progress and delivery to be monitored. As there has been a change to the assurance ratings applied to assurance work from 2023/2024, the equivalent updated rating has been included in blue for clarity.

Work Plan

Audit Review	Audit Sponsor	Scoping	Audit Objective	Fieldwork	Draft Report	Final Report	Assurance Opinion or Equivalent
ASSURANCE WORK 2023/2024							
Peer Review	Senior Leadership Team (SLT)	✓	✓	✓	✓	✓	Not Applicable
ICT High Risks Review	SLT	✓	✓	✓	✓	N/A	Not Applicable
Grant Work	PSPSL Finance	✓	✓	✓			Not Applicable
Leisure	SLT	✓	✓	✓	✓	✓	Consultancy
Recruitment & Retention	SLT	✓	✓	✓	✓	✓	Adequate
Procurement Card Review	SLT	✓	✓	✓	✓		

Precepts	SLT	✓					
Budget Management Budget Monitoring	SLT	✓					
Strategic Risk Register Review	SLT	✓					
Decision Making	SLT	✓					
Building Control	SLT						
Follow-Ups	SLT						
Combined Assurance	SLT	✓					
Management Time	SLT						
Financial Systems review – Banking, Treasury Management & Payroll Reconciliations.	SLT	✓					
Towns Fund	SLT						
Financial Resilience	SLT						