AGENDA ITEM NO 8

REPORT NO 234/24

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 27 AUGUST 2024

INTERNAL AUDIT ACTIVITY UPDATE

REPORT BY CATHIE WYLLIE – SERVICE LEADER - INTERNAL AUDIT

1. ABSTRACT

1.1 This report provides assurance through an update on Internal Audit matters including main findings from reports issued since the date of the last Scrutiny and Audit Committee; progress with implementation of agreed Internal Audit and Counter Fraud actions; and an update on the Audit Charter review.

2. ALIGNMENT TO THE COUNCIL PLAN AND COUNCIL POLICIES

2.1 The contents of this report contribute to the achievement of the corporate priorities set out in the Angus Community Plan and the Council Plan. This is achieved through this report providing the Scrutiny & Audit Committee with information and assurance about council internal control systems, governance and risk management.

3. RECOMMENDATIONS

3.1 It is recommended that the Scrutiny and Audit Committee:

(i) Considers and note the update on progress with the planned Internal Audit work (Appendix 1);
(ii) Considers and note management's progress in implementing internal audit and counter fraud recommendations (Appendix 1); and
(iii) Notes the position with the review of the Internal Audit Charter (section 5 below).

4. BACKGROUND

4.1 Annual Internal Audit plans are approved by the Scrutiny and Audit Committee and a progress report is submitted to each meeting of the Committee. This report outlines progress in delivering the agreed 2024/25 plan (agreed at the Scrutiny & Audit Committee in April 2024 Report 123/24) and items from the 2023/24 plan that were incomplete in June 2024.

4.2 Internal Audit issues a formal report for each review undertaken as part of the annual audit plan. Each report contains an action plan which incorporates all the recommendations made. This action plan, prepared under SMART (Specific, Measurable, Achievable, Realistic, Timed) criteria, is agreed with management within the relevant services who nominate persons responsible for taking forward the actions and who set their own completion date for each action. This agreed action plan forms an integral part of the final audit report and audit recommendations are ranked to indicate materiality. SMART internal control actions are also agreed following Counter Fraud investigations.

4.3 As part of the on-going audit process, Internal Audit reviews the implementation of recommendations and reports the results to each meeting of the Scrutiny and Audit Committee.

4.4 Ad-hoc requests for advice are dealt with as they arise.

5. INTERNAL AUDIT CHARTER

5.1 The Angus Internal Audit Charter (the Audit Charter) should be regularly reviewed and updated when necessary. The Audit Charter is reviewed annually and reported to the Scrutiny and Audit Committee meeting.

5.2 There has been no change in the guidance for the content of the Audit Charter and therefore no changers are proposed. The Audit Charter was last updated and agreed at the Scrutiny and Audit committee meeting on 23 September 2021 (report 295/21 refers).

5.3 The updated Global Audit Standards published in January 2024 make some changes which may be reflected in the new Public Sector Internal Audit Standards (PSIAS) that are expected to be published late 2024/early 2025 for implementation by 1 April 2025. The Audit Charter will be updated in line with the new PSIAS guidance once it is published.

6. CURRENT POSITION

6.1 The latest results are included in the Update Report at **Appendix 1** and summarised in section 6 below.

6.2 Both vacant Auditor posts have now been filled.

7. SUMMARY OF ASSURANCES

7.1 The following table summarises the conclusions from audit work completed since the last Scrutiny and Audit Committee. Further information on each audit, and definitions of control assurances, are provided in Appendix 1.

7.2 Recommendations from consultancy work are not graded. The number of recommendations made are noted under the Grade 4 column. * In the final column denotes that the service already has actions in place to address weaknesses identified in the audit or has action plans for other improvements in progress.

Audit	**Overall control assurance**	**Control assessment by objective**	**No. of Audit Actions by Priority**			
			1	**2**	**3**	**4**
Performance Management & Monitoring	Limited		-	9	1	-
AWI Follow-up	Substantial		-	-	-	-*
Continuous Auditing – Payroll April - June 2024	Comprehensive		-	-	-	*
Continuous Auditing – Creditors Duplicate Payments April - June 2024	Comprehensive		-	-	-	-

Audit	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
			1	2	3	4
Continuous Auditing – Creditors Same person registration and authorisation April 2023 – March 2024	Substantial		-	-	-	-

8. FINANCIAL IMPLICATIONS

8.1 There are no direct financial implications arising from the recommendations of this report.

9. RISK MANAGEMENT

9.1 The overall impact on risk management and recommendations made to mitigate risks identified during the audit are covered in each individual audit report.

10. ENVIRONMENTAL IMPLICATIONS

10.1 There are no direct environmental implications arising from the recommendations of this report.

11. EQUALITY IMPACT ASSESSMENT, HUMAN RIGHTS AND FAIRER SCOTLAND DUTY

11.1 A screening assessment has been undertaken and a full Equality Impact Assessment is not required for the following reason: - this report is providing reflective information for elected members.

12. CONSULTATION

12.1 This report was circulated for consultation to all Directors of the Council.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1 Internal audit update report

Appendix 1

Angus Council Internal Audit

Update Report

Scrutiny & Audit Committee

27 August 2024

Cathie Wyllie
Service Leader – Internal Audit
Chief Executive's

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INTRODUCTION

This report presents the progress of Internal Audit activity within the Council from June 2024 and provides an update on progress with:

- planned audit work, and
- implementing internal audit and counter fraud recommendations

AUDIT PLAN PROGRESS REPORT

The table below notes the stage of progress of all audits in the agreed 2024/25 plan and those carried forward from 2023/24 in June 2024. Timetabling of audits is being discussed with services and the dates planned for work and reporting to Scrutiny and Audit will be updated as this is finalised.

Definitions for control assurance assessments are shown at the end of this report.

Progress with Internal Audit Plan 2024/25

Audits	**Planned**	**WIP status**	**Overall control assurance**	**Control assessment by objective**	**S&A committee date / *(target in italics)***
Corporate Governance					
Corporate Governance annual review – 2023/24	May/June	Complete	N/A	N/A	June 2024 Report 191/24
Performance Management & Monitoring (2023/24)	April/May 2024	Final report issued and with CLT	Limited		**Aug 2024**
Financial Governance					
Payroll continuous auditing April to June 2024	On-going	Complete	Comprehensive		**Aug 2024**
Payroll audit of overtime payments added April 2024 September 2023 to June 2024	On-going	In progress			*Oct. 2024*
Creditors continuous auditing Duplicate Payments April to June 2024	On-going	Complete	Comprehensive		**Aug 2024**

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / *(target in italics)*
Creditors continuous auditing Same person registration and authorisation (2023/24) April 2023 – Mar. 2024	June/July 2024	Complete	Substantial		**Aug. 2024**
Creditors continuous auditing Same person registration and authorisation April 2024 – Mar 2025	April/May 2025				*June 2025*
Supplier Bank Details – process for changes (2023/24)	June/July 2024	In Progress			*Oct. 2024*
Tayside Contracts – Invoice & Payments Monitoring (2023/24)	July/Aug. 2024	In Progress			*Oct. 2024*
External Placements (Children)	Sept/Oct 2024	Planning			*Dec. 2024*
Self-Directed Support (SDS)	TBC				*TBC*
Programme of random cash counts	Intermittent				*Oct. 2024*
Purchase ledger invoice processing & authorisation	TBC				*TBC*
Travel Expense Claims	TBC				*TBC*
IT Governance					
IT User Access Administration – Integra (2023/24)	Feb 2024 But delayed	In Progress			Oct. 2024
Digitisation of Services (2023/24)	March/April 2024	In Progress			Oct. 2024
IT User Access Administration (Eclipse)	TBC				*TBC*

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / *(target in italics)*
Use of Cloud Computing	TBC				*TBC*
Application Consolidation Strategy/Delivery	TBC				*TBC*
Continuous Auditing – IT System Access	Feb. / Mar. 2025				*Apr. 2025*
Internal Controls					
AWI Follow-up (2023/24)	Feb./Mar. 2024	Complete	Substantial		**Aug. 2024**
Contract Management Procedures	TBC				*TBC*
Procurement	TBC				*TBC*
Asset Management					
Management/ supervision of empty Council premises	TBC				*TBC*
Fleet Management	TBC				*TBC*
Housing Void Management	TBC				*TBC*
Legislative and other compliance					
Health & Safety – Evolve System (for risk assessments on school trips, excursions, etc.)	TBC				*TBC*

Angus Alive and Angus Health & Social Care IJB

Angus Council's Internal Audit staff work on the audit plans for both ANGUSalive and Angus Health & Social Care IJB. Reports for both bodies are presented to their respective audit committees throughout the year. Where IJB audit reports are particularly relevant to the Council they will also be reported to the Scrutiny & Audit committee.

The ANGUSalive Annual Internal Audit Plan for 2024/25 was agreed at their Finance & Audit Sub-committee on 14 June 2024. The 2023/24 plan, agreed 9 June 2023, is partially delivered, with both remaining audits at draft report stage.

The IJB Annual Internal Audit plan for 2024/25 is currently being discussed.

SUMMARY OF FINDINGS OF INTERNAL AUDIT REVIEWS

This section provides a summary of the material findings of internal audit reviews concluded since the last meeting. It also provides information on the number of recommendations made. Recommendations are ranked in order of importance, with Priority 1 being the most material. Execution of recommendations is followed up by Internal Audit and reported to this Committee.

Members are asked to consider the following summaries and provide any commentary thereon.

Audit	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
			1	2	3	4
Performance Management & Monitoring	Limited		-	9	1	-
AWI follow-up	Substantial		-	-	-	-
Continuous Auditing – Payroll April and May 2024 June 2024	Comprehensive		-	-	-	-
Continuous Auditing – Creditors Duplicate Payments April to June 2024	Comprehensive		-	-	-	-
Continuous Auditing – Creditors Same person registration and authorisation April 2023 – March 2024	Substantial		-	-	-	-

Performance Management and Monitoring

Introduction, Background and Scope

As part of the 2023/24 audit plan, Internal Audit has completed a review of Performance Management.

In 2019, a review was undertaken on how self-evaluation was being carried out, along with how Pentana software was being used in managing performance throughout the Council. This review culminated in a report to the Council Leadership Team in April 2019, which identified a number of areas where improvements were required in order to realise the Authority's ambition of being a "performance-led Council". According to the report, these related to the following areas:

- A need for a more consistent approach when undertaking self-evaluation;
- Poor overall Pentana uptake and limited user input; and
- Obsolete and irrelevant historical data being held in the Pentana system.

The How Good is Our Council (HGIOC) self-evaluation framework was identified as the default framework to utilise (unless other appropriate arrangements were already in place), and it was generally felt that the Pentana system was fit for purpose in terms of being used as a tool for performance management and reporting.

As a result of that report, a working group was established which was tasked with developing a detailed programme of improvements to the Council's performance management framework. It was proposed that these improvements required as part of the Performance-Led (PLED) Programme would be delivered in four stages.

The Council's 2022 Best Value report noted "Progress in embedding a council-wide performance management framework to drive improvement activity has been slow. Covid-19 disrupted progress. Further change is needed if the council is to realise its ambition to be a performance-led council". The 2022 Best Value report also included a recommendation that "The Council should complete its implementation of the PLED which will improve the use of performance information and better demonstrate the impact of improvement actions".

The thematic Best Value Report in September 2023 concluded that "The Council has made satisfactory progress on recommendations reporting in the 2022 BVAR. The continued development of the PLED Programme is key to ensuring effective performance reporting against the Council Plan".

It was advised by the Service Leader (Governance, Change & Strategic Policy) that all service areas had now completed Stages 1 and 2 of the four-stage PLED Programme, with the focus now on fully embedding processes and ensuring services continue to comply with the requirements of the newly adopted approach to performance management.

Now undertaken as part of the 2023/24 Internal Audit Plan, this review has focused on the arrangements that the services now have in place in order to ensure that they are in compliance with the new performance management processes adopted during Stages 1 and 2 of the PLED Programme, and that appropriate action is being taken where any instances of non-compliance are detected. The audit reviewed the arrangements in place against the following control objectives:

- All services are fully aware of the new performance management framework which has been adopted throughout the Council as part of the PLED Programme, and this has been appropriately documented in order to guide staff consistently through the process;
- Effective arrangements are in place to ensure that services continue to comply with

the requirements of Stages 1 and 2 of the PLED Programme including: (i) the adoption of the a consistent approach to performance management; (ii) the collection and usage of performance data; (iii) self-evaluation; (iv) the determination of robust and reliable performance measures, including SMART (specific, measurable, achievable, relevant, timebound) actions to drive continuous improvement; and (v) the consistent application of Pentana as a tool to record and monitor performance;

- There is a clear correlation between all performance measures and Service, Council and Community Outcomes. Effective arrangements are in place to identify any variances between actual performance and targets, with appropriate action taken to address any instances of poor performance; and
- Due consideration is given to any issues and lessons learned arising from the implementation of Stages 1 and 2 so that these are appropriately reflected upon for the implementation of Stages 3 and 4.

Methodology and Output

Interviews were held with relevant staff and an internally generated risk and control matrix based on the above control objectives was used to document the work done. The output is a report to the Director of Finance and the Service Leader (Governance, Change & Strategy Policy), and a summary of the outcomes to the Scrutiny and Audit Committee.

A sample of five services were selected for examination in relation to objectives 2 and 3. These were Revenues and Benefits; Legal and Procurement; HR Business Support; Justice and Education.

Conclusion

The overall level of assurance given for this report is '**Limited**' Assurance. It is important to note that, in this context the actual performance management framework adopted by the Council is generally considered to be sound. The matters identified for improvement in this report, for the most part, rest with the need to apply and embed the framework more consistently throughout the Council, which has led to a reduction in the overall level of assurance we can provide.

Overall assessment of Key Controls

The audit reviewed and assessed the controls in place to manage the following Key Control Objectives:

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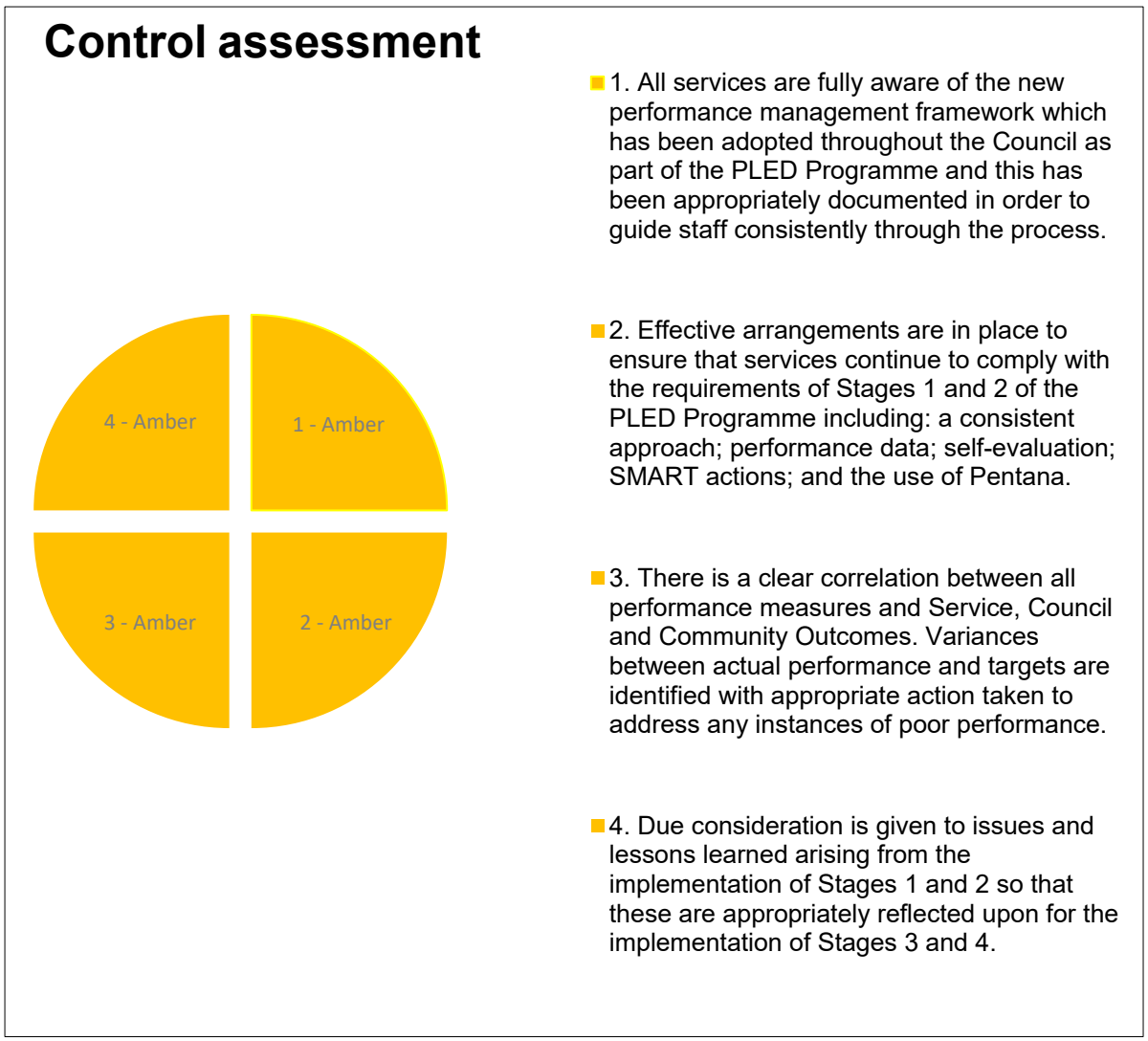
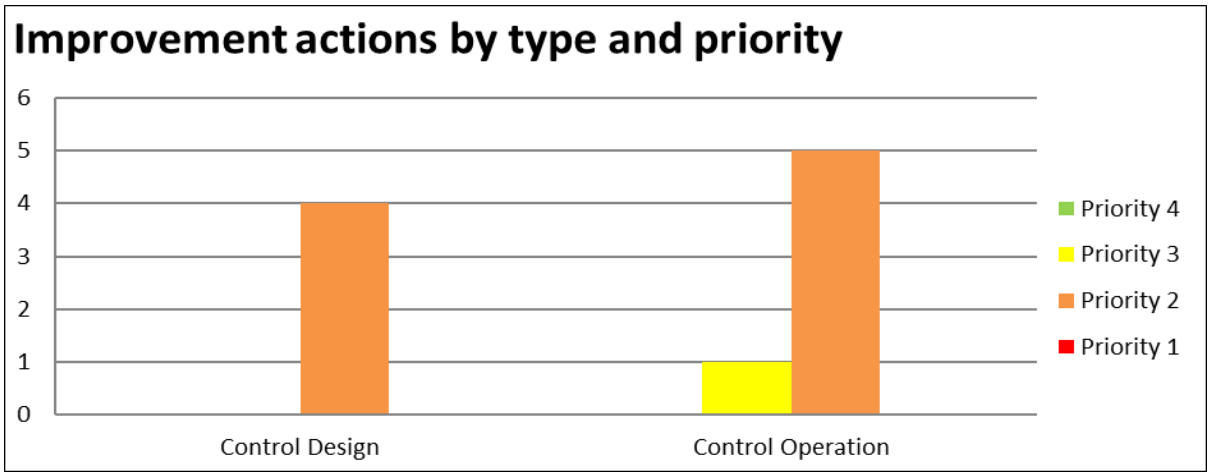




There are ten recommendations in this report; four of which relate to the design of controls (four Priority 2) and six relating to the operation of existing controls (five Priority 2 and one Priority 3).

Key Findings

Areas Identified for Improvement:

During the audit we identified a number of areas for improvement and have made the following recommendations.

We have made ten recommendations to address high and moderate risk exposures (reflecting nine Priority 2 and one Priority 3 recommendations).

Priority 2

- Management should compile a comprehensive overarching Performance Management Framework document that pulls together the various pieces of guidance on performance management currently available to create an all-encompassing document to guide staff;
- The Project Initiation Document should either be reviewed and updated with key stages and target dates updated to reflect the current position or a new delivery document should be established which links to the Data Strategy;
- A review should take place of each service area to understand what progress has been made throughout the implementation of stages 1 and 2;
- Management need to engage with users to convey and get buy-in to the benefits of using Pentana as a performance management tool and to consider whether there are any other systems which may also be used for performance management purposes;
- Service areas must review their performance data requirements to ensure the data they obtain and process is relevant, reliable and kept up to date in order to further embed the PLED programme;
- Service areas should review their initial self-evaluation which will further embed the requirements of the framework, with appropriate actions plans adopted for any improvements required;
- Legal and Procurement should promptly identify new performance indicators which are of added value to their service which are underpinned by SMART actions;
- The Council Leadership Team should consider implementing a formalised procedure to allow for the identification of performance which does not meet expected targets/priorities, as well as the process for making necessary improvements; and
- Service areas need to be held appropriately accountable for the implementation of the PLED Programme. The Corporate Governance Questionnaire should be updated to reflect specific PLED Programme requirements, with evidence provided appropriately scrutinised.

Priority 3

All performance indicators within the Pentana system must be appropriately linked to an associated framework, strategy, council or community priority, where this is possible.

AWI Follow-Up

Introduction & Background

As part of the 2023/24 annual plan, Internal Audit has completed a review of Angus Council's procedures in place to ensure compliance with the Office of the Public Guardian (OPG) and the Mental Welfare Commission for Scotland (MWC) requirements in relation to recording guardianships for Adults with Incapacity.

In the Adults with Incapacity (Scotland) Act 2000, welfare guardianship provides the means to protect adults who lack capacity to make particular decisions or take particular actions for themselves. The Act provides the opportunity for people to become welfare and/ or financial guardians for adults with impaired capacity and sets out how decisions can be made for them.

The Act created a number of checks and balances to protect people who lack some or all capacity. The Mental Welfare Commission for Scotland (MWC) and the Office of Public Guardian (OPG), for financial matters, have a specific safeguarding and monitoring role in this Act.

Adults With Incapacity (AWI) cuts across a number of AHSCP services including Older People, Disability Services, Substance services, and Mental Health. However, responsibility for guardianship and supervision within the Local Authority lies with the Chief Social Work Officer (also the Director of Children, Families and Justice).

In 2019 we were asked to review interim procedures which had been put in place to record information on AWI within the Council, to ensure compliance with the OPG/MWC requirements. This was because internal service checks had found some inconsistencies with the information held in relation to AWI. Once identified a decision was made to centralise many of the guardianship administration functions within the Mental Health Officers (MHO) Team. The MHO Team collated the guardianship information from all teams and developed an improvement plan.

The initial audit (19/03) was not completed due to a whistleblowing investigation which was undertaken by an external party. An audit memo was issued in July 2019 noting the position at the time the audit was suspended. It was agreed in the interim memo that as Audit had not completed any testing of the information provided, no assurances could be given at that point and that at a suitable time, the audit would recommence.

The full audit (21-16) was undertaken in 2022, and sought to provide assurance on the following objectives:

- Procedures are in place to ensure compliance with OPG and MWC requirements.
- For new AWI/Guardianship orders the procedures are being followed.
- That the improvement plan that was in place to bring existing records up to date has been completed.

The audit report, issued in April 2023, concluded that "No Assurance" could be given with regard to the audit objectives and made the following recommendations:

- Priority 1 – A full review of the Guardianship process should be undertaken, in light of our findings, and this review should address all of the individual issues identified in this report. The issues identified cover all the outstanding issues from the improvement plan. The issues identified cover updating operational guidance, providing training for staff, ensuring completeness of data held,

ensuring timeframes are met, resolving outstanding items from the implementation of Eclipse, and ensuring prompt communication with the Office of Public Guardian (OPG) regarding updates to cases as required.

- Priority 2 – Key performance indicators, and how these will be reported, to be finalised to monitor future compliance.

It was agreed that a follow-up audit would be carried out once the recommendations had been implemented, to provide assurance that procedures are now being complied with and issues highlighted in audit report 21-16 have been addressed.

Scope

The follow up audit reviewed the following objectives:

- A full review of the Council's Guardianship process has been undertaken, and all of the issues highlighted in audit report 21-16 have been addressed (a list of those issues is attached at Appendix 1)

- Key performance indicators have been introduced to monitor compliance, and these are being reported to senior management on a regular basis.

We met with key staff and reviewed relevant documents. An internally generated risk and control matrix based on the above control objectives was used to document the work done.

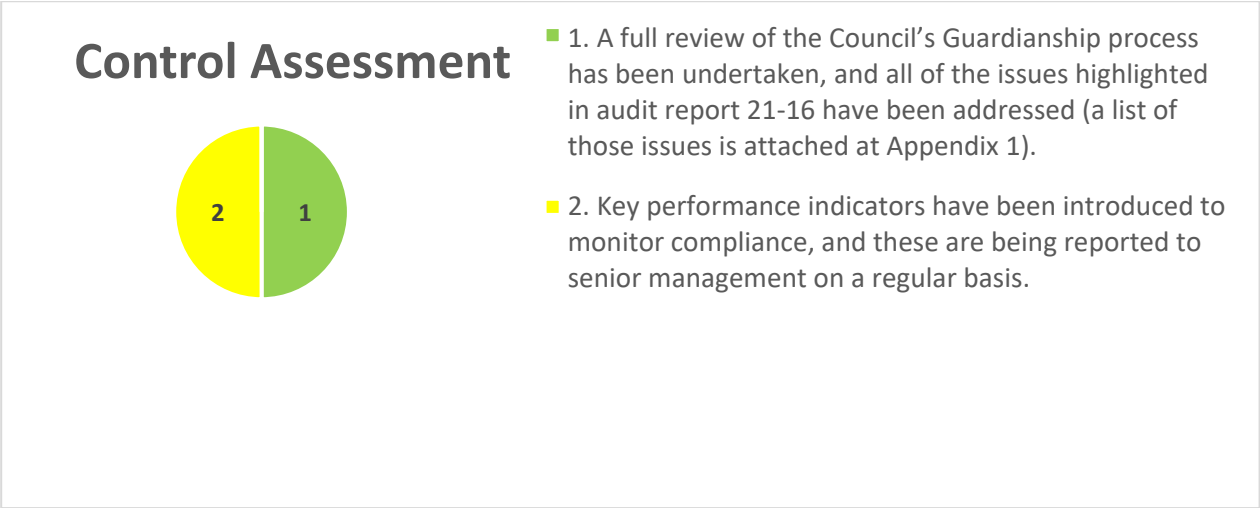
The output is a report to the Chief Social Work Officer, Angus Council; Chief Officer, AHSCP; Head of Community Health and Care Services, AHSCP; a summary of the outcomes to this Committee; and a copy to Chief Internal Auditor, NHS FTF Audit.

Conclusion

The overall level of assurance for the follow up audit is "**Substantial Assurance**".

Overall assessment of Key Controls

The audit reviewed and assessed the controls in place to manage the following Key Control Objectives:



Key Findings

Good practice:

- An audit tool was developed to aid checking of cases against procedures. This was refined following completion of the first audit.
- Regular audits are undertaken by staff independent of the those delivering the AWI service.

Future Developments:

- The AWI business objects report method for highlighting supervision will be changing to recording the 'last supervision' in yellow if the date is more than one year. This will highlight when a supervision is outstanding even if a next supervision date is not inputted or is incorrect.
- The reporting method for the KPI outcomes from the monthly review of the Business Objects Report is to be developed in consultation with the Information Manager Improvement and Development Team and the Service Leader – Adult Community MHS to discuss the best way to report data to the Performance Steering Group.

Areas Identified for Improvement:

No recommendations have been raised in this report as the process now in place within services will address the areas that still need to be progressed.

- Processes have been reviewed and updated. The findings from the October 2023 audit recognise some areas of compliance and practice need improvement and this is being addressed through various management activities. On-going audit activity within the service will keep this under review.
- The process for identifying supervision dates needs further improvement to ensure all cases are reviewed within the correct timeframe.
- KPIs have been identified but data gathering, and final reporting has still to be finalised.

Impact on Risk Register

The Corporate Risk Register held on Pentana includes the following risk which relates to this audit: -

CORRR0016 – Public Protection

Risk Description: There is a failure in the multi-agency arrangements for protecting people resulting in significant harm to a child or vulnerable person and/or a failure to manage an offender leading to significant harm to another person.

Risk Scoring: Likelihood – 2 Low, Impact – 4 Major, Overall Current Risk Score 8, Target Score 8.

The key risks associated with this audit are that without proper procedures and controls in place the Council may breach the requirements of the Adults with Incapacity (Scotland) Act 2000 and may not be compliant with the guidance put in place by Mental Welfare Commission for Scotland (MWC) and the Office of Public Guardian (OPG).

Data Analysis/Continuous Auditing

Continuous auditing analysing data extracted from Council systems is undertaken using the data analysis software, CaseWare IDEA (Interactive Data Extraction covering:

- Payroll
- Creditors (Accounts Payable) duplicate payments
- Creditors same person registration & authorisation
- System log-in access.

We are reporting on Payroll and Creditors duplicate payments.

Payroll – April - June 2024 - Comprehensive assurance

In April 2024 we began looking at overtime payments as an additional item of continuous payroll auditing. This work is in currently in progress. To create capacity for this work testing on duplicate bank accounts has not been undertaken as the findings on this have consistently provided comprehensive assurance in the past.

The following Payroll areas have been completed for April to June 2024

- top 10 payments
- duplicate NI number
- no NI number

No issues were identified relating to the top 10 payments or duplicate NI numbers. One incidence of no NI number for the same person was identified in April and May. This was not a new incidence, but was identified in our previous 2023/24 testing, and has been corrected in the June payroll data. We queried 3 of the top 10 payments in June, all 3 were explained satisfactorily. There were no issues with duplicate or missing NI numbers in June.

Creditors – Duplicate Payments – April - June 2024 - Comprehensive Assurance

Two duplicate payments totalling £198 were identified in May. Recovery for both was already in course at the time of the audit work. One duplicate payment of £110 was identified in June; funds were recovered in July. Discussion is on-going with the service to identify improvements to help prevent duplicate payments in future.

Creditors – Same Person Registration & Authorisation – April 2023 to March 2024 – Substantial Assurance

We analysed information from Integra to identify instances where the same person had registered and approved an invoice for payment.

All instances have been explained satisfactorily. Examples of why this occurred are that the invoice/cheque was cancelled due to incorrect information, or because the cheque was out of date, and had to be re-entered/re-issued. We plan to review the process around this in more detail as part of future audit work.

Implementation of actions resulting from Internal Audit recommendations

Background

The summary report is presented below in accordance with the agreed reporting schedule.

Summary of Progress – Internal Audit

The figures presented in the tables below have been obtained after analysis of the audit actions recorded and monitored on the Pentana Performance system. The information presented below reflects the 68 (28 on 30 May 2024) Internal Audit actions outstanding on 15 August 2024 (excludes actions for Angus Alive and IJB). The number of actions outstanding has increased substantially, as every Directorate has been assigned actions from both the Risk Management and Performance Management audits. CLT receive and review regular detailed reports on the outstanding audit actions.

- Table 1 shows the number of actions which would have been overdue but have had the **original completion date extended**.
- Table 2 shows the number of actions in progress which have not yet reached their due date.

Internal Audit Actions - In Progress – 15 August 2024 (due date extended)

Directorate	Audit Year	Level 1	Level 2	Level 3	Level 4	Not Graded	Grand Total
Infrastructure & Environment	2019/20	-	-	-	-	-	-
	2020/21	-	1	-	-	-	1
	2021/22	-	-	-	-	-	-
	2022/23	-	-	-	-	-	-
	2023/24	-	-	-	-	-	-
Finance	2019/20	-	-	-	-	-	-
	2020/21	-	-	-	-	-	-
	2021/22	-	-	-	-	-	-
	2022/23	-	1	-	-	-	1
	2023/24	-	-	-	-	-	-
Legal, Governance & Change	2019/20	-	-	-	-	-	-
	2020/21	-	-	-	-	-	-
	2021/22	-	-	1	-	-	1
	2022/23	-	1	-	-	-	1
	2023/24	-	-	-	-	-	-
HR, OD, DE, IT & Business Support	2019/20	-	1	-	-	-	1
	2020/21	-	-	-	-	-	-
	2021/22	-	-	-	-	-	-
	2022/23	-	3	-	-	-	3
	2023/24	-	-	-	-	-	-
Grand Total		**-**	**7**	**1**	-	-	**8**

Internal Audit Actions - In Progress – 15 August 2024 (not yet reached due date)

Directorate	Audit Year	Level 1	Level 2	Level 3	Level 4	Not Graded	Grand Total
Education & Lifelong Learning	2022/23	-	-	-	-	-	-
	2023/24	2	9	2	-	-	13
Children, Families & Justice	2022/23	-	-	-	-	-	-
	2023/24	-	3	1	-	-	4
Vibrant Communities & Sustainable Growth	2022/23	-	-	-	-	-	-
	2023/24	-	2	2	-	-	4
Infrastructure & Environment	2022/23	-	-	-	-	-	-
	2023/24	-	2	2	-	-	4
Chief Executive	2022/23	-	-	-	-	-	-
	2023/24	-	2	2	-	-	4
Finance	2022/23	-	-	-	-	-	-
	2023/24	-	15	6	-	-	21
Legal, Governance & Change	2022/23	-	-	-	-	-	-
	2023/24	-	3	2	-	-	5
HR, OD, DE, IT & Business Support	2022/23	-	1	-	-	-	1
	2023/24	-	2	2	-	-	4
Grand Total		**2**	**39**	**19**	**-**	**-**	**60**

Summary of Progress – Counter Fraud

Internal control actions resulting from counter fraud reviews are included in Pentana to allow them to be monitored more effectively. Counter Fraud recommendations are not assigned a priority. The information in the tables below represents the 4 Counter Fraud actions outstanding on 15 August 2024 (6 outstanding on 30 May 2024).

Counter Fraud Actions - In Progress – 15 August 2024 (due date extended)

Directorate	Year Investigation Concluded	Total
Infrastructure & Environment	2024/25	4
Grand Total		**4**

DEFINITION OF ASSURANCE LEVELS, CONTROL ASSESSMENTS & RECOMMENDATION PRIORITIES

Level of Assurance definitions

Level of Assurance	Definition
Comprehensive Assurance	There is a sound control framework in place designed to achieve the system objectives, which should be effective in mitigating risks. Some improvements in a few, relatively minor, areas may be required, and any residual risk is either being accepted or addressed by management.
Substantial Assurance	The control framework in place is largely satisfactory, however there are a few areas where improvements could be made to current arrangements to reduce levels of risk, and/or there is some evidence that non-compliance with some controls may put some of the system objectives at risk.
Limited Assurance	Some satisfactory elements are evident within the control framework. However, some significant weaknesses have been identified which are likely to undermine the achievement of objectives, and/or the level of non-compliance with controls puts the system objectives at risk.
No Assurance	The control framework is ineffectively designed and operated. The issues identified require immediate attention to address the risks to the Council which are currently unacceptable. Significant improvements are required.

Control assessment definitions

Control Assessment	Definition
Red	Fundamental absence or failure of key control
Amber	Control objective not achieved – control is inadequate or ineffective
Yellow	Control objective achieved – no major weakness but scope for improvement
Green	Control objective achieved – control is adequate, effective & efficient

Recommendation Priority definitions

Priority	Definition
1	Recommendation concerning the absence/failure of fundamental control which is critical to the success of the system. Major weakness which significantly impairs the overall control framework. Immediate management action required. **Very high-risk exposure**.
2	Recommendation concerning absence or non-compliance with key control which creates significant risks within the organisation. Substantial weakness identified. Prompt management action required. **High-risk exposure**.
3	Recommendation concerning absence or non-compliance with lower-level control, or an isolated instance of non-compliance with a key control. The weakness identified is not necessarily great, but controls would be strengthened, and the risks reduced if it were rectified. To be addressed by management within a reasonable timescale. **Moderate risk exposure**.
4	Recommendation concerning minor issue, which is not critical, but implementation would improve the system and/or strengthen controls. To be addressed by management within a reasonable timescale. **Limited risk exposure.**