

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 25 September 2024
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Audit and Assurance Report for the Period April to June 2024.

Summary

The purpose of the report is:

- **To provide a summary of the work of Audit and Assurance during the period above.**
- **To provide ongoing assurance to the Council on the adequacy of its control environment.**

Recommendation

The Accounts and Audit Committee is asked to note the report.

Contact person for access to background papers and further information:

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Background Papers: None

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TRAFFORD
COUNCIL

Audit and Assurance Service Report April to June 2024

Date: **September 2024**

1. Purpose of Report

This report summarises the work of the Audit and Assurance Service between April 2024 and June 2024 and highlights progress against the 2024/25 Internal Audit Plan to date. At the end of the year, these update reports will be brought together in the Annual Head of Internal Audit Report which will give the opinion on the overall effectiveness of the Council's control environment during 2024/25.

2. Planned Assurance Work

Key elements of the 2024/25 Work Plan, produced in March 2024, include:

- Fundamental Financial Systems reviews.
- Input to the Annual Governance Statement
- Continued input to and review of risk management arrangements and provision of guidance.
- Review of corporate procurement and value for money arrangements.
- Audit reviews in respect of ICT and information governance.
- Anti-fraud and corruption work, including the National Fraud Initiative.
- School audits and other establishment audit reviews.
- Grant claim certification work
- Audit reviews of other areas of business risk including audits of services and functions.
- Provision of guidance and advice to services across the Council.

3. Main areas of focus – April to June 2024

Work in the quarter included focus on issuing a number of audit reports in relation to Children's Services. There were audit follow-ups completed and a number of audits progressed in relation to various service areas including Adults, IT and Digital, and Catering Services. All audit reports completed in the period are listed in Section 5 and other key areas of audit work undertaken referred to in Section 6 and 7.

4. Summary of Assurances April to June 2024

There were 6 internal audit opinion reports produced in the period (4 final reports and 2 draft reports).

In respect of the 4 final reports issued, 2 of these reports included audit opinions, 1 being a "Substantial" level of assurance and the other "Reasonable". The 2 other final reports were advisory reports completed following issues raised by the respective services. The 2 draft reports (as at the end of June) have since been issued as final reports with findings to be included in the July to September 2024 update (noting opinion levels for these 2 reviews were "Substantial" and "Reasonable" respectively).

(See Section 5 for a listing of reports issued, together with a summary of findings).

5. Summary of Audit & Assurance Opinions Issued – April to June 2024

(See Appendix 2 for details of Audit opinion levels, report levels and report status)

REPORT NAME (DIRECTORATE) / (PORTFOLIO) by Coverage Level (1-4)	-OPINION R/AG -Date Issued	COMMENTS
FINAL REPORTS ISSUED		
Level 3 Reports:		
Children’s Social Care Payments (Children’s Services) / (Children and Young People)	Reasonable* (10/5/24)	The purpose of the review was to review the effectiveness of controls in operation in relation to the systems and processes for managing social care payments in Children’s Services. It was noted that there were some areas of good progress since the last audit review, including the introduction of a training officer to support system training and guidance. There continues to be scope to develop the use of the ContrOCC system for reporting of management information and use in relation to budget monitoring. Whilst some progress has been made regards 16 of the 17 recommendations made in the previous audit review, issues identified for continued improvement highlight 8 recommendations going forward in this latest report. There will be further internal audit review work as part of future audit plans to assess progress in progressing the areas for development identified.
Supporting Families Programme (Children’s Services) / Children and Young People)	Substantial (11/6/24)	Greater Manchester local authorities undertake periodic audits to provide assurance that local systems and processes meet the minimum standards of the Supporting Families Programme. The Supporting Families Programme (SFP) is a national programme with the aim to enable the most disadvantaged families with complex problems to turn their lives around. A set of Greater Manchester standards were defined to represent the core features of the national delivery model whilst allowing for flexibility in local practice. The audit reported that there was evidence to demonstrate that each of the standards were being met. In addition, developments had been made with planned actions through the year with 2 previous recommendations being implemented in respect of processes for identifying eligibility for the programme and also in respect of recording outcomes for closed cases. In liaison with the GMCA, a further recommendation was being progressed in respect of developing performance monitoring through sharing of data with partners.
DRAFT REPORTS		
Level 1 Reports:		
All Saints Catholic Primary School (Children’s Services) / (Children and Young People)		As at the end of June 2024, a draft report setting out findings from the review had been shared with the Headteacher. Since then, a final report has been issued, which will be reported as part of the July to September 2024 Audit and Assurance update report.
Victoria Park Infants School (Children’s Services) / (Children and Young People)		As at the end of June 2024, a draft report setting out findings from the review had been shared with the Headteacher. Since then, a final report has been issued, which will be reported as part of the July to September 2024 Audit and Assurance update report.

OTHER REPORTS	DATE COMPLETED	DESCRIPTION/COMMENTS
Advisory Report: Household Support Fund (Finance and Systems)	(23/4/24)	Audit provided advice following a request by Exchequer Services to review processes for the processing of applications and payments in respect of the Free School Meals holiday award payments scheme. Advice was provided regards possible enhancement to existing checks regards eligibility and payments being made. It is noted that Exchequer Services will further review processes, once account is taken later in 2024/25 of future funding of the schemes and implementation of new systems.
Advisory Report: Youth Engagement Services (Children's Services)	(15/5/24)	Audit provided advice following a request by Finance and Systems to assist in reviewing systems and records in relation to controls on payment processes managed through the Youth Engagement Services imprest account. Some recommendations were made to improve controls in place, including updating and sharing procedural guidance to staff and introducing independent checks of expenditure claims being made through the imprest account.
<p><i>*Denotes this final report is a follow up audit – i.e. the main focus of the review was a follow up of recommendations made as part of a previous internal audit review.</i></p>		

6. Other Audit and Assurance Work

In addition to the progression of internal audit reviews, other work undertaken during the period has included the following:

- Ongoing support to facilitate the review of the Council' strategic risk register (an update report was provided to CLT and the Accounts and Audit Committee in June 2024).
- Liaison with Legal and Governance to provide some advice and input to the Draft Annual Governance Statement 2023/24 issued in June 2024.
- Further to support by Internal audit and Counter Fraud teams to an investigation, liaison with Human Resources to agree details sent out in the staff bulletin regards ensuring compliance with the Employee Code of Conduct in respect of taking a second job outside of the Council.

7. Impact of Audit Work – Improvements to the Control Environment

Key indicators of the impact of Audit and Assurance are: (a) Acceptance of Recommendations (b) Implementation of them.

Acceptance of Recommendations

From the final audit opinion reports produced and issued by the Audit and Assurance Service during the quarter, all of the 16 recommendations made have been accepted. A number of other audits were in progress during the period and levels of acceptance of recommendations made in the subsequent reports will be reflected in the next Audit and Assurance update.

Implementation of Audit Recommendations

Internal audit reports are followed up to assess progress in implementing improvement actions identified through audit recommendations.

See Section 5 regards the 2 final audit reports in respect of Children's Social Care Payments and Supporting Families which included follow-up of previous recommendations made.

In respect of 3 other audits previously completed, the relevant services were requested to provide an update on progress in implementing audit recommendations made. The following details were reported:

- Bereavement Services (Strategy and Resources) - 3 of the 4 previous recommendations made had been implemented with 1 recommendation currently being progressed at the time of review.
- Waste Services (Place) - All of the 4 previous recommendations had been implemented.
- Outdoor Advertising (Place) - 3 of the 4 previous recommendations had been implemented with 1 recommendation currently being progressed at the time of review.

Further follow-up work of previous audits is being undertaken and on overall analysis of outcomes from audit recommendations followed up in 2024/25 up to 30 September 2024 will be included in the Q2 Audit and Assurance update.

8. Performance against Audit & Assurance Annual Work Plan

Progress to date:

Appendix 1 shows a summary of work completed as at 30 June 2024 against planned in respect of the 2024/25 Operational Internal Audit Plan.

As included in the 2024/25 Internal Audit Plan, it was planned that a target of 6 reports (comprising opinion reports, advisory reports and grant sign-offs) were to be completed in Q1 of 2024/25 to final or draft stage. As referred to in Section 5, 6 reports were actually produced. It is planned for the remainder of the year that at least 6 reports per quarter are produced.

The next update on progress against the 2024/25 Internal Plan, including reports issued, will be included in an update for Quarter 2 to be shared with CLT and the Accounts and Audit Committee in November 2024.

9. Planned Work for July to September 2024

Areas of focus include:

- Issue of final audit opinion reports for the following audits - Adults' Direct Payments, IT Service Management System, Catering Services, Victoria Park Infants School, All Saints Catholic Primary School.
- Issue of a draft audit opinion report in relation to Housing Standards.
- Issue of an advisory report in relation to processes regards Care Leaver payments
- Commencement of other audit reviews in the Audit Plan including budgetary control.
- Completion of grant checks in relation to Highways Maintenance funding in line with requirements from the Department for Transport and the Greater Manchester Combined Authority.
- In liaison with CLT, commence work in late September on a further update of the strategic risk register with an update report due to be shared with the Accounts and Audit Committee at its meeting on 21 November 2024.
- Undertaking a recruitment exercise for a vacant Senior Audit and Assurance Officer post.
- Consideration of any developments in relation to changes in Internal Audit Standards. It is expected that a consultation is to commence by CIPFA in September 2024 regards the replacement of the Public Sector Internal Audit Standards following changes to Global Internal Audit Standards. Expected changes are expected to come in to effect from 1 April 2025.

APPENDIX 1

2024/25 Operational Plan: Planned against Actual Work (as at 30 June 2024)

<u>Category</u>	<u>Planned work</u>	<u>Work completed (as at 30/6/24)</u>	<u>2024/25 IA Plan</u>
Financial Systems	<p>Audits of fundamental financial systems reviews and advice in relation to systems and procedures.</p> <p>Audit Reports planned to be issued in 2024/25 include the following:</p> <ul style="list-style-type: none"> - Children’s Social Care Payments (Children’s Services) - Accounts Receivable (Finance and Systems) - Payroll (Strategy and Resources) - Budgetary Control (Finance and Systems/Authority-wide) - Purchase Cards (Finance and Systems) <p>Other audits to commence in 2024/25 include:</p> <ul style="list-style-type: none"> -Accounts Payable (Finance and Systems) -Council Tax (Finance and Systems) 	<p>-Final report issued 10/5/24</p> <p>-Draft advisory report shared</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p> <p style="text-align: center;">-</p>	<p>-Completed</p> <p>-Final report to be issued Q2</p> <p>-Planning to commence Q3</p> <p>-Commenced August 2024</p> <p>-Planning to commence Q3</p> <p style="text-align: center;">-</p> <p>-Planning to commence Q4</p> <p>-Planning to commence Q4</p>
Governance	<p>Corporate Governance / AGS (Legal and Governance) – to liaise with Legal and Governance, including providing comment on processes supporting the AGS, and its content with reference to the CIPFA/SOLACE Governance framework and guidance.</p> <p>Advice / assurance in respect of governance issues and ongoing liaison with services to consider further audit reviews.</p>	<p>-Work to date has included liaising with Legal and Governance providing feedback on, and input to, the content of the 2023/24 Draft AGS issued in June 2024.</p>	<p>-Support to Legal and Governance regards the process for finalising the AGS alongside the audited accounts and in respect of planning for the collation of the 2024/25 AGS.</p>
Corporate Risk Management	<p>Facilitating, and reviewing the effectiveness of, the maintenance of the Council’s strategic risk register.</p> <p>Actions to support the Council’s Risk Management Strategy including provision of guidance, independent review of existing risk management arrangements and, where applicable, recommend areas for development.</p> <p>Follow-up of previous audit reviews to include:</p> <ul style="list-style-type: none"> - Business Continuity (Place/Authority-wide) 	<p>-Facilitated strategic risk update report presented to Accounts and Audit Committee in June 2024</p> <p style="text-align: center;">-</p>	<p>-Next strategic risk register update to commence in September 2024 with report to be shared at the November 2024 Accounts and Audit Committee.</p> <p style="text-align: center;">-</p> <p>-Follow-up audit update to be</p>

	- Health and Safety (Strategy and Resources)	-	requested in Q3 -Follow-up audit update to be requested in Q2.
Anti-Fraud and Corruption	<p>Co-ordinate the Council's activity in respect of the National Fraud Initiative in accordance with Cabinet Office requirements.</p> <p>Contributing to investigations of referred cases of suspected theft, fraud or corruption. Other work to support the Anti-Fraud and Corruption Strategy, including working with other relevant services to review existing strategy, policies and guidance.</p>	-Reporting of outcomes from the National Fraud Initiative exercise completed, with details reported as part of the 2023/24 Annual Head of Internal Audit Report at the June 2024 Accounts and Audit Committee. Above reporting included reference to Internal Audit support to investigation work undertaken in 2024.	-Preparation for the 2024/25 National Fraud Initiative exercise commenced in Q2.
Procurement / Contracts/ Value for money	<p>Review of procurement / contract management arrangements including systems in place and associated arrangements to secure value for money (Work will include liaison with the STAR Procurement Service and partner authority auditors).</p> <p>Audit Opinion Reports to include: STAR: - Social Value (Other audits for 2024/25 to be confirmed later in 2024)</p> <p>Other: - Parking Enforcement contract - Joint Ventures (Bruntwood)</p>	-	-Future work and timing to be agreed. -Planned to commence Q4 -Review in Q2/3 of processes re leases and rent collection (Altrincham).
Information Governance / Information, Communications and Technology	<p>ICT Audit reviews and advice. Planned audits to include: - IT Service Management (issue of final report)</p> <p>- Access Management - Vulnerability Management - IT Disaster Recovery - Asset Management</p> <p>Information governance reviews and advice. To include: - Audit of processes to support management of risk in relation to data</p>	-Liaison re draft report - - - -	-Final report issued August 2024 -Planned to commence Q3 -Timing to be agreed -Timing to be agreed -Planning to commence Q4 -Planned to commence Q3

	breaches.		
Schools	<p>Providing assurance on the control environment within schools, supporting schools in ensuring awareness of requirements within the DfE Schools' Financial Value Standard.</p> <p>Audit reviews of schools: At least 8 school audits to be completed during the year (Children's Services). Final audit opinion reports expected to be issued include:</p> <ul style="list-style-type: none"> - All Saints Catholic Primary* - Victoria Park Infants School - Bowdon Church School - Woodheys Primary School - Altrincham C of E Primary School - Templemoor Infants - Seymour Park Community Primary - Moss Park Primary <p>(Any other audits to commence or be planned in by the end of 2024/25 to be confirmed).</p> <p>Follow-up of progress for all school audits completed in 2023/24 with updates to be obtained from management.</p>	<p>-Draft findings shared</p> <p>-Draft findings shared</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p>Final report issued July 2024</p> <p>Final report issued July 2024</p> <p>Commenced July 2024</p> <p>Planned to commence Q3</p> <p>Planned to commence Q4</p> <p>Planned to commence Q4</p> <p>Planned to commence Q4</p> <p>Planned to commence Q4</p> <p>Broadheath Primary follow-up completed in July 2024 (Other school audit follow-ups to be completed in Q2/3/4)</p>
Assurance – Other Strategic and Service Risks	<p>Audits selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews include authority wide issues and areas relating to individual services, establishments and functions. Includes new audit reviews, follow up audits and gaining assurance from service updates.</p> <p>Audits to commence in 2024/25 with reports to be issued during 2024/25 or Q1/2 of 2025/26:</p> <ul style="list-style-type: none"> - Catering Services (Strategy and resources) - Blue Badges (Strategy and Resources) - Libraries Service (Strategy and Resources) - Complaints (Strategy and Resources / Authority-wide) - Recruitment (Strategy and Resources) - Supporting Families (Children's Services) * - Home to School Transport (Children's Services) - Schools Admissions (Children's Services) 	<p>-In progress</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-Final report issued 11/6/24</p> <p>-</p> <p>-</p>	<p>-Final report issued Aug. 2024</p> <p>-Planned to commence Q3</p> <p>-Timing to be agreed</p> <p>-Planned to commence Q4</p> <p>-Planned to commence Q4</p> <p>-Completed</p> <p>-Planned to commence Q3</p> <p>-Planned to commence Q3</p>

	<ul style="list-style-type: none"> - Hayeswater Contact Centre (Children’s Services) - Care Leaver payments (Children’s Services) - Section 17 payments (Children’s Services) - Deprivation of Liberty Safeguards (Adult Services) - Adaptations (Adult Services) - Direct Payments (Adult Services) - Let Estates (Place) - Building Control (Place) - Housing Standards (Place) - Tree Unit (Place) - Section 106 / Community Infrastructure Levy (Place) <p>Follow-up of previous audit reviews where internal audit reports have been issued in 2023/24 to include:</p> <ul style="list-style-type: none"> - Bereavement Services (Strategy and Resources) - Cleaning Services (Strategy and Resources) - Sale Waterside Arts Centre (Strategy and Resources) - Outdoor Advertising (Place) - Safety at Sports Grounds (Place). - Waste Services (Place) 	<ul style="list-style-type: none"> - -In progress - - - -Draft report shared - - -In progress - - - Follow-up update completed. - - Follow-up update completed. - - Follow-up update completed. 	<ul style="list-style-type: none"> -Timing to be agreed -Draft findings shared Q2 -Planned to commence Q2 -Planned to commence Q3 -Planned to commence Q3 -Final report to be issued Sep 2024 -Planned to commence Q3 -Planned to commence Q2 -Draft report to be issued Q2 -Timing to be agreed - Planned to commence Q3 -Completed -Update to be requested Q3 -Update to be requested Q2 -Completed -Update to be requested Q2 -Completed
Grant claims checks / Data Quality	<p>Internal audit checks of grant claims / statutory returns and other checks as required.</p> <p>Audit and Assurance to be advised through the year of grant claims, review work and other returns to be checked/signed off. To include:</p> <ul style="list-style-type: none"> - Disabled Facilities Grant (Adult Services) - Local Transport Capital Block Funding (Pothole Fund) 2023/24 (Place) - Food Waste Collections-Capital Transitional Grant (Place) 	<ul style="list-style-type: none"> - - - 	<ul style="list-style-type: none"> -Work commenced in September 2024 with checks / sign off to be completed by 31/10/2024. -Work commenced in August 2024 with check/sign off to be completed by 30/9/2024. Timing to be confirmed.
Service Advice / Projects	<p>General advice and guidance, both corporately and across individual service areas. Support and advice to the organisation in contributing to working groups and projects in relation to governance, risk and control issues.</p>	<p>Work undertaken up to 30/6/24 includes:</p> <ul style="list-style-type: none"> -Guidance as listed under Section 6 regards the Employee Code of Conduct -Advisory reports issued as listed in Section 5. 	

APPENDIX 2

POINTS OF INFORMATION TO SUPPORT THE REPORT:

Audit Opinion Levels (RAG reporting):

Opinion – General Audits

Substantial Assurance

Reasonable Assurance

Limited Assurance

Low or No Assurance

Green

Green

Amber

Red

An opinion is stated in each audit report to assess the standard of the control environment.

Report Status:

Draft reports:

These are issued to managers prior to the final report to provide comments and finalise agreed responses to audit recommendations.

Final reports:

These incorporate management comments and responses to audit recommendations, including planned improvement actions.

Breadth of coverage of review (Levels 1 to 4)

Provides an indication as to the nature / breadth of coverage of the review in terms of which aspects of the organisation's governance and control environment it relates to. Levels are as follows:

- **Level 4: Key strategic risk or significant corporate / authority wide issue** - Area under review directly relates to a strategic risk or a significant corporate / authority wide issue or area of activity.
 - **Level 3: Directorate wide** - Area under review has a significant impact within a given Directorate.
 - **Level 2: Service wide** - Area under review relates to a particular service provided or service area which comprises for example a number of functions or establishments.
 - **Level 1: Establishment / function specific** - Area under review relates to a single area such as an establishment.
-