

## Appendix A – Annual Audit Report 2023/24

Internal Audit Plan Area for 2023/24	Specific area & Accountable officer (s)	Assurance Opinion (See key) *(Where Applicable)	Recommendations and/or advisory points raised	Status at June 2024 (Agreed/ Implemented/Outstanding) **
<b>Category 1. Assurance Assignments (Audits)</b> **Please note that where audits have an 'Open' Status, this denotes outstanding recommendations. A 'closed' status is recorded if all agreed recommendations and advisory points are fully implemented.				
1.Audit Assignment Final audit report issued June 2023	Communications Head of Communications & Customer Experience	<b>Substantial assurance</b>	1 advisory point raised - scope for more formalised media awareness training or brief awareness sessions to be arranged that covers existing staff. It is acknowledged that induction sessions are held for new starters.	Open Audit. Agreed and partially implemented. A new Communications section to assist staff has been published on SpelNet which incorporates a media protocol. Social media training has been arranged for Members in February 2024.
2.Audit Assignment Final audit report issued July 2023	Housing Benefit Overpayments Group Head Community Wellbeing and Housing Benefits Manager	<b>Reasonable Assurance</b>	1 advisory point raised - Whilst the Housing Benefit Overpayment policy was still considered fit for purpose, a refresh of the policy is timely as it was last undertaken in 2019, with periodical review going forward.  <i>Residual Risk area:</i> Significant cumulative overpayment debt of £3m+ continues and	Closed Audit. Agreed and implemented in October 2023.  The residual risk area is recognised by the service area, and the bad debt

**Appendix A – Annual Audit Report 2023/24**

			remains an inherent risk to the service area and the Council due to the statutory limitations on how much Housing Benefit Overpayment (HBO) can be recovered given the challenges of dealing with families earning a low income. It is recognised that a bad debt provision is in place to cover most of this sum.	provision is periodically reviewed by Finance in relation to outstanding debt levels.
3.Audit Assignment Final audit report issued August 2023	Climate Change and Environmental Sustainability  Group Head Commissioning and Transformation	<b>Reasonable Assurance</b>	1 advisory point was raised recognising continued importance for relevant teams to liaise in advance of decision-making processes, including when acquiring residential properties, to ascertain climate change and sustainability implications. This is with a view to supporting robust integration measures into wider Council decision making and holistic approaches in delivering Spelthorne’s Climate Change strategy.  The review confirmed all prior recommendations raised in the audit of 2021 had been implemented. There were no recommendations raised as part of the 2023/24 audit.	Open Audit.  Agreed and being implemented.

**Appendix A – Annual Audit Report 2023/24**

<p>4.Audit Assignment Final audit report issued September 2023</p>	<p>Treasury Management  Chief Accountant</p>	<p><b>Reasonable Assurance</b></p>	<p>Recommendation 1. Treasury Management Policy Statement to be reviewed and updated and made available for public inspection.</p> <p>Advisory Point 1 – Establishing a second assigned officer trained up on Cashbook reconciliations would provide increased team resilience where officers are on leave or absent.</p> <p>Advisory Point 2 - A refresh of Treasury Management Practices 5 is timely to ensure that the dealing arrangements accurately reflect the current position in practice.</p>	<p>Closed Audit.</p> <p>Recommendation 1. Implemented. The policy statement has been revised and appended to the latest Treasury Management Strategy approved in January 2024, ensuring inclusion on the Council’s website.</p> <p>Advisory Point 1 – current and future arrangements for the Cash Book reconciliation have been advised. No further response is required.</p> <p>Advisory Point 2 – Implemented.</p>
<p>5.Audit Assignment Final audit report issued January 2024</p>	<p>Gifts and Hospitality  Group Head Corporate Governance</p>	<p><b>Reasonable Assurance</b></p>	<p>Recommendations relate to: Recommendation 1a - Periodical review of the Gifts and Hospitality Policy to ensure it remains current and relevant. Recommendation 1b – In promoting understanding of the Gifts and Hospitality</p>	<p>Open Audit. Some target dates not reached. 1a. Aim to implement by end of June 2024.</p>

**Appendix A – Annual Audit Report 2023/24**

	CX Secretariat		<p>policy requirements and underpinning principles, to deliver awareness raising sessions on a biennial basis or other frequency deemed appropriate.</p> <p>Recommendation 2 - All instances of Gifts and Hospitality offered should be promptly submitted and recorded in the collated Gifts and Hospitality Register which is publicised for completeness and transparency purposes. There may be scope for a completeness check to be undertaken at periodical intervals.</p> <p>Recommendation 3a - Greater use of the electronic form (rather than manual entry) for submissions of gifts and hospitality offered.</p> <p>Recommendation 3b - Establishing an integrated authorisation and challenge process ahead of gifts and hospitality being accepted, which would provide the Monitoring Officer with an opportunity to review the declaration made ensuring that any issues with the suitability of the Gift and / or Hospitality offered, could be discussed.</p>	<p>1b. Implemented and ongoing. Group Head of Corporate Governance raised awareness of the Policy at the November staff meeting (15.11.23).</p> <p>2. Partially addressed. The Monitoring Officer has agreed to reinforce the need for timely notification and submissions of instances of gifts and hospitality offered. Target November 2024.</p> <p>3a. Agreed and taken effect.</p> <p>3b. Liaison will take place with the IT team in developing the online form for authorisation intervention stage. Target November 2024.</p>
--	----------------	--	--	---

**Appendix A – Annual Audit Report 2023/24**

			<p>Recommendation 3c. The Monitoring Officer could be assigned the role of reviewing and authorising Gifts and Hospitality declarations raised by Officers and Members, with the Chief Executive maintaining some higher-level oversight as considered necessary.</p> <p>Recommendation 4(i) - The Mayoral PA to review the Council’s Gifts and Hospitality register once a month to identify any entries where either Officers or Members have recorded ‘donated item to Mayors Charity’.</p> <p>Recommendation 4(ii) Establish and maintain a record to capture and account for donated items in terms of subsequent actions of charitable use and applicable dates. This is with a view to developing a control process.</p>	<p>3c. This is dependent on implementation of recommendation 3b.</p> <p>4i. Implemented and ongoing.</p> <p>4ii. Establishing record keeping systems and pursuing measures to ascertain charitable use.</p>
--	--	--	---	---

**Appendix A – Annual Audit Report 2023/24**

6.Audit Assignment Final audit report issued April 2024	IT Audit – Disaster Recovery  Group Head Commissioning and Transformation  Applied Resilience (External Service provider)  IT Audit Manager	<b>Limited Assurance</b>	Recommendations are set out below:  1. The IT Risk Register to be finalised and reviewed.  2. To confirm formalisation of ongoing contractual arrangements with Applied Resilience are in place.  3. The Strategic Business Continuity Plan to include details of testing the plan including the frequency.  4. The IT Team to keep a centralised copy of the strategic BCP and ICT DR Plan so that it is accessible and available on request as required.  5. Further to review of the Emergency Plan the next steps require that the plan is approved by the corporate management team and relevant Committee.	Open Audit  1.Agreed for implementation July 2024.  2.New contract to be put in place from September 2024.  3. Under the emergency planning/business continuity plans testing is undertaken and the plan document will take account of the audit recommendation. August 2024.  4.Agreed and will require the Applied Resilience Service to provide updated versions to the IT team.  5. Target to implement by June 2024.  6 & 7. Unlikely to implement failover core switches and failover routers due to cost.

**Appendix A – Annual Audit Report 2023/24**

			<ol style="list-style-type: none"> <li>6. Core switch resilience to be implemented as soon as possible.</li> <li>7. Resilience for the network router infrastructure to be implemented as soon as possible.</li> <li>8. The Council to satisfy itself that departmental business continuity plans are regularly updated and are in date.</li> <li>9. The Council to satisfy itself that an appropriate Disaster Recovery plan is in place and is fit for purpose.</li> </ol>	<p>In managing associated risks, the Council already pay for support for these items so that, in the event of failure, the items are replaced on the same day.</p> <p>8.To confirm by June 2024.</p> <p>9.Managment response to be provided for recommendation 9.</p>
<p>7.Audit Assignment</p> <p>Final audit report issued June 2024</p>	<p>Housing Register &amp; Allocation Process</p> <p>Group Head Community Wellbeing</p> <p>Strategic Lead - Housing /Housing Options Manager</p>	<p>Reasonable Assurance</p>	<ol style="list-style-type: none"> <li>1.The requirements for documenting assessment decisions to be reviewed to ensure that the rationale for decisions taken is clearly recorded.</li> <li>2. The wording on the website and/or application form to be reviewed / strengthened to highlight to applicants upfront that any initial banding decision will be provisional and subject to the full verification process.</li> <li>3.Relevant training needs to be identified and training sessions put in place, in order to reduce the number of errors at the initial banding stage.</li> </ol>	<p>Open Audit</p> <p>1.Agreed to implement and target 1<sup>st</sup> August 2024.</p> <p>2.Agreed to implement and target 1<sup>st</sup> July 2024.</p> <p>3.Agreed to implement and target 1<sup>st</sup> July 2024.</p>

**Appendix A – Annual Audit Report 2023/24**

			<p>4.Consideration to be given to introducing a management spot check of applications. This could be based around a figure (e.g. 10%) or focusing on areas which are more complex / more errors are made (e.g. 100% of care leaver cases).</p>	<p>4.Agreed to implement by 10<sup>th</sup> June 2024.</p>
--	--	--	--	--



**Appendix A – Annual Audit Report 2023/24**

<p>8.Audit Assignment</p> <p>Final audit report issued June 2024</p> <p>Group Head Commissioning and Transformation to sign off report.</p>	<p>Payroll</p> <p>Group Head Commissioning and Transformation</p> <p>Human Resources Managers x 2</p>	<p><b>Substantial Assurance</b></p>	<p>A data analytics exercise was undertaken of standing payroll data and concluded an overall positive assurance for the areas tested.</p> <p>Scope for some internal control enhancements were identified as part of wider review of key controls. Recommendations are set out below:</p> <p>1.Management may wish to consider exploring the reporting options available within the current software package (iTrent) to ensure that this is fit for purpose in terms of management information to allow appropriate scrutiny of the data.</p> <p>2.HR / Payroll teams to review the processes in place for secondary checking of iTrent data input by independent officers to ensure that appropriate evidence is maintained. This could involve formal notes or sign offs being added to the electronic documents, or email confirmations being retained on file.</p> <p>3.Group Heads and Service Managers to be reminded of the importance of completing the</p>	<p>Open Audit</p> <p>1. The Service Managers have concluded that reporting options in iTrent do not enable deep dive review of the data across every process activity. Further system upgrades may improve this. No further management action is planned at this stage.</p> <p>2. Agreed. This will be incorporated into the System Administrator Post responsibilities subject to recruitment taking place. Target date dependant on successful recruitment.</p> <p>3.Agreed.When the next bi-annual review is undertaken</p>
---	---	-------------------------------------	---	--

**Appendix A – Annual Audit Report 2023/24**

			bi-annual Establishment List checks to ensure that it remains accurate and up to date.	(due July 2024) Managers will be reminded of the importance to complete.
9.Audit Assignment Draft audit report issued April 2024  Chief Accountant to sign off report.	Main Accounting  Chief Accountant	<b>Substantial Assurance</b>	Recommendations are set out below:  1.Guidance to be produced in relation to New User requests for Centros (Council’s main financial system), to ensure that these are completed accurately and appropriately authorised.  2.As the Purchase Ledger VAT Suspense account is not manually reviewed by Council officers, a query should be raised with the software provider to gain clarity on the use of the account and the impact of having a non-zero balance on the account.	Open Audit  1.Agreed to refresh form and guidance. Target 30.6.24.  2.Agreed - target 31.5.24.
10.Audit Assignment  Draft audit report issued April 2024  Chief Accountant to sign off report.	Creditors  Chief Accountant	<b>Reasonable Assurance</b>	The status of some prior audit recommendations was verified and reported on. Most of these had been actioned with a couple of areas outstanding for perusal relating to refreshing Job descriptions for all roles and responsibilities and reviewing the necessity for use of cheques as a future payment method to Suppliers.  Further recommendations arising from the 2023/24 audit are set out below:	Open Audit

**Appendix A – Annual Audit Report 2023/24**

			<p>1.(i)Procedure notes for the accounts payable team/function to be reviewed to ensure these are up to date and incorporate key control processes. Details should be included of when they were last reviewed, who carried out the review, and the next expected review date.</p> <p>1(ii)A periodic review of procedures should also be scheduled and assigned to a named officer/post to ensure these remain up to date moving forward and serve as a reference point for all staff including new starters.</p> <p>2. (i)The Payments team to ensure that all verification checks and management checks in relation to supplier bank details changes are recorded as diary notes.</p> <p>2(ii)Where requests come from internal sources, ensure that all relevant supporting evidence is provided to ensure the accuracy and validity of the change to supplier bank details.</p> <p>3.Ensure that all authorised signatory emails are kept and filed appropriately with each BACS payment run to evidence the key authorisation stage undertaken prior to the payments being released.</p>	<p>1(i)Agreed – target November 2024.</p> <p>(1ii) Agreed- target November 2024.</p> <p>2(i,ii )Agreed target November 2024.</p> <p>3.Agreed target November 2024.</p>
--	--	--	--	--

**Appendix A – Annual Audit Report 2023/24**

			<p>4.(i)The format of the Duplicate Payments monitoring spreadsheets to be reviewed to ensure that details of the actions being taken, the individual officers responsible and the management checks carried out are all formally recorded.</p> <p>4(ii)Specific timeframes and frequency intervals for chasing suppliers to be set to ensure a consistent approach is adopted prior to passing cases over to Sundry Debts for recovery.</p>	4 (i,ii).Agreed target November 2024.
11.Audit Assignment Findings and improvement areas communicated to service area. Audit summary document is under discussion with draft audit report to follow.	Commercial Assets Group Head Assets	To be confirmed	<p>Audit observations and findings included the following areas:</p> <p>1.A positive assurance relates to recent development and strengthening of the overall governance framework for the investment portfolio such as establishing a new overarching Asset Management strategy underpinned by related strategies and policies. Setting up more robust performance management arrangements for the investment portfolio has progressed to improve the quality of outcome reporting.</p> <p>2.Some inaccuracies and inconsistencies of data presented in asset business plans require rectification. Going forward the various elements of supporting information should</p>	Open Audit

**Appendix A – Annual Audit Report 2023/24**

			<p>feed in accurately and consistently to any higher-level data being reported when refreshing business plans, ensuring decisions and actions can be validated.</p> <p>3. It was noted that several asset business plans report significant losses anticipated in terms of net income forecast for specific future years and this will need to be reflected in performance management information across individual assets.</p> <p>4. Lease process – It is important to ensure that all decisions relating to rent reviews are documented even if the decision is for no action to be taken at that point in time.</p>	
12. Audit Assignment	<p>Financial Resilience</p> <p>Chief Finance Officer</p> <p>Chief Accountant</p>	Not concluded	<p>Terms of Reference produced and discussed, and fieldwork in progress. It is acknowledged that measures for monitoring and reporting cashable savings being delivered as part of the Council’s efficiencies programme have been further developed and strengthened in terms of control design. Testing the effectiveness of operation of such controls will not form part of this audit given they will take effect from the end of Q1 2024/25.</p> <p>In acknowledging external sources of assurance/external critique reviews with</p>	Any recommendations arising will be reported in due course.

## Appendix A – Annual Audit Report 2023/24

			specialist expertise advising the Council, the importance of maintaining a coordinated approach and improvement plan to continue to address any necessary actions remains pivotal.	
13. Audit Assignment	Property Development (Housing Development Programme)  Group Head Assets	Not applicable	Further to discussion with the Group Head of Assets it has been agreed that this audit would not be undertaken as there are no tangible aspects to review during 2023/24 given the Council’s decision in September to suspend direct delivery of property schemes. It is noted that a new development delivery strategy is to be implemented.	Not Applicable
14. Audit Assignments x 3 (i)-Creditors (Final report - September 2023) (ii)-Cross Cutting review of Planning and Property development (Final report- November 2023)	Completion, finalisation and oversight of prioritised assignments from 2022/23	See subsequent rows below for further details	Internal Audit have completed fieldwork, testing, risk and control analysis, meetings, and held several discussions around findings, observations and improvement actions. Final reports have been issued across all three areas.	Open and Closed Audits. See below three rows.

**Appendix A – Annual Audit Report 2023/24**

(iii)- Procurement (Final report – December 2023)				
14i Audit Assignment  Final audit report issued September 2023	Creditors  Chief Accountant	<b>Reasonable Assurance</b>	<p>Recommendation 1. To implement an effective control that includes an additional check of the various payment methods to ascertain whether a potential duplicate payment has occurred.</p> <p>Recommendation 2. Measures have been proposed and discussed with a view to reducing the risk of duplicate payments in some scenarios and will require coordinated efforts across Budget Managers, Service Accountants and Finance. Full details are referred to in the audit report.</p> <p>Recommendation 3. Management should endorse the importance of reconvening the National Fraud Initiative (NFI) data matching exercise which incorporates Creditors data as this represents an important internal control process and advocates counter fraud measures.</p> <p>Recommendation 4. Management to undertake periodical data cleansing and housekeeping exercises of the supplier</p>	<p>Closed Audit.</p> <p>All recommendations have been agreed to take forward in managing risk.</p> <p>Recommendation 1 –Agreed to address risk by adapting CHAPS form, target date 30.9.23. Actioned.</p> <p>Recommendation 2. A management action plan has been outlined , target implementation 30.9.23. Actioned.</p> <p>Recommendation 3 – commenced and target date for completion November 2023. The data matching exercise has been completed with investigation of potential duplicates underway.</p>

**Appendix A – Annual Audit Report 2023/24**

			<p>database (Creditors dataset) to reduce risks of duplicate payments and strengthen controls in this area. Such exercises would also present a better picture of the scale of suppliers in use across the authority. The groups of duplicate suppliers identified during the audit review should help to inform this exercise.</p> <p>Recommendation 5. Duplicate Payment record keeping arrangements should be enhanced to ensure the consistent accuracy and reliability of the data held within the spreadsheet. Management should consider enhancing the effectiveness of recovering Duplicate Payments by promptly transferring cases to the Sales Ledger team.</p>	<p>Recommendation 4. Agreed to undertake annually and target date of June 2024 for first exercise due to other team priorities and restructure. On track to take place during quarter 1 of 2024/25.</p> <p>Recommendation 5. Agreed for implementation as a regular ongoing process. Target date 30.9.23. This has partially progressed, and a revised recommendation has been issued in April 2024 to strengthen monitoring and record keeping. (Please refer to earlier category 10 for details)</p>
14ii. Audit Assignment Final audit report issued November 2023	Cross cutting review of Planning and Property Development	<b>Reasonable Assurance</b>	<p>Recommendation 1. Councillors to be periodically reminded of where/when appropriate Declaration of Interest is required to be submitted in line with the Code of Conduct. In addition, Officers (Committee Service) should ensure this is consistently</p>	<p>Open Audit. (Latest status to be provided)</p> <p>Recommendation 1 – Agreed to implement, target date of December 2023. Declarations of interest are a</p>



**Appendix A – Annual Audit Report 2023/24**

	<p>Group Head Corporate Governance/Group Head Assets/ Group Head Place, Protection and Prosperity</p>		<p>included on the relevant agenda(s) to serve as a prompt to Members.</p> <p>Recommendation 2. All officers present/in attendance as part of the Development Sub-Committee or Planning Committee should be documented as part of the meeting minutes to ensure transparency and demonstrate professional representation. In addition, the relative voting split relating to the various developments should be recorded as part of the meeting minutes for completeness.</p> <p>Advisory Point- Under the Committee structure there is not a specific requirement to have a separate overview and scrutiny function (unlike under a Cabinet model) and due to the significant scale of Council business this may not be deemed practical. Nonetheless, the new administration provides a timely opportunity to review the adequacy of the level of embedded scrutiny operating within the Committees (prior internal audit review of the Committee system in April 2022 already highlights this issue and a recommendation was raised at that time).</p>	<p>standard item on committee agendas.</p> <p>Recommendation 2 – Agreed to implement, target date of December 2023.</p> <p>Status update required- (TBC) Service area to confirm whether the level of embedded scrutiny within the Committee system has been considered further as part of the latest review of the Committee structure.</p>
--	---	--	---	--

**Appendix A – Annual Audit Report 2023/24**

<p>14iii. Audit Assignment Final report issued December 2023</p>	<p>Corporate Procurement  Group Head Corporate Governance</p>	<p><b>Reasonable Assurance</b></p>	<p>Whilst an appropriate framework is in place (and has been strengthened since the prior internal audit), the requirements need to be re-enforced to all Procuring Officers to ensure adherence to Contract Standing Orders. Compliance monitoring processes across a range of areas also need to be strengthened and embedded to enable prompt identification of issues or trends arising. Contract management processes across various stages of the cycle including the Contracts Register also require enhancements. Internal audit recommendations are set out below.</p> <ol style="list-style-type: none"> <li>1. Standardised processes to be established to capture all relevant approvals in line with Contract Standing Order requirements.</li> <li>2. A distinct Procurement landing page to be developed on Spelnet to ensure that all relevant procurement policies and guidance is easily accessible.</li> <li>3. Advertising requirements to be re-enforced to all Procuring Officers to ensure that all procurement exercises are carried out in accordance with Contract Standing Orders.</li> <li>4. Action to be taken to ensure that contracts are signed prior to the start date of the</li> </ol>	<p>Open Audit</p> <p>The former Procurement Manager produced an action plan to take forward the audit recommendations and provided an update to the Audit Committee in January 2024. It is acknowledged that an interim Procurement Manager is currently in post, and may advise further of the latest status of any prior outstanding recommendations.</p> <ol style="list-style-type: none"> <li>1. Agreed to implement. Target November 2023.</li> <li>2. Implemented.</li> <li>3. The Procurement manager is proposing a change be made to Contract Standing orders (CSO'S) regarding advertising requirements.</li> </ol>
--	---	------------------------------------	--	--

			<p>contract. Processes should also be reviewed to establish appropriate mitigating measures to ensure that the Council’s interests are adequately protected in the event that it is not possible for the contract to be signed prior to the start date (for example ensuring that suppliers are operating subject to standard or enhanced Purchase Order terms, depending on the nature of the contract).</p> <p>5.Contract signing requirements to be re-enforced to all relevant officers to ensure that enhanced limitation period protection is put in place for contracts above £100,000 in line with Contract Standing Orders and Constitution requirements.</p> <p>6.Contract Standing Order requirements to be re-enforced to Procuring Officers to ensure that all requirements are adhered to by third party consultants, with appropriate supporting evidence to be provided by the consultant and retained on the contract file.</p> <p>7.The Evaluation Matrix document to be signed off in all cases, with details of the Evaluation Panel recorded on the document.</p>	<p>This will be taken forward as part of the current review of CSO’S.</p> <p>4.Partially addressed during September/October with some further actions underway in liaison with other Service areas.</p> <p>5. Action to take this forward has been completed in October 2023.</p> <p>6. Partially addressed through training sessions delivered, with some further actions underway in liaison with other Service areas.</p> <p>7. Action to take this forward has been completed.</p>
--	--	--	--	--

			<p><b>8.(Prior audit recommendation re-issued)</b>                  Compliance monitoring processes to be developed and embedded, including:</p> <ul style="list-style-type: none"> <li>a) 6 monthly compliance reviews of spend against the Contract Standing Orders.</li> <li>b) Review of Purchase Orders over £20,000 to manage non-compliant spend.</li> <li>c) Implement an annual planned schedule of contract management audits, in line with the Contract Standing Orders requirements.</li> </ul> <p>9a.The Managing Contracts procedure to be reviewed to incorporate how monitoring outcomes should be recorded.                  (b)A process to be put in place to facilitate central oversight of key contracts, with monitoring outcomes recorded centrally.                  (c)Implement contract review alerts on the new contract management system for all contracts that are due to expire, with responsibilities clearly outlined for overseeing contract forward planning.</p> <p>10. Exemptions procedure to be re-enforced to all relevant officers to ensure that all waivers are appropriately logged and reported, to enable greater transparency and allow for</p>	<p>8a.Agreed to implement.                  Target December 2023</p> <p>8b.Implemented.</p> <p>8c.Agreed to implement.                  Target 30<sup>th</sup> November 2023.</p> <p>9a.Completed.</p> <p>9b.Agreed to implement.                  Target 30<sup>th</sup> November 2023.</p> <p>9c.Agreed to implement.                  Target 24<sup>th</sup> October 2023</p> <p>10. Partially addressed with some further actions underway in liaison with other Service areas. Target 31<sup>st</sup> October 2023.</p>
--	--	--	--	--

**Appendix A – Annual Audit Report 2023/24**

		<p>appropriate scrutiny of the decision making process.</p> <p>11.Roles and responsibilities and associated processes for populating the Contracts Register to be reviewed/updated and re-iterated to Procuring Officers to ensure that all relevant contractual agreements are captured in line with Transparency Code requirements.</p> <p>12.Current Contracts Register data to be reviewed to ensure that all relevant information is captured in accordance with the Transparency Code, and to ensure that the Contracts Register contains up to date information. Furthermore, robust mechanisms continue to be developed to ensure that the Contracts Register remains fit for purpose.</p>	<p>11. Agreed to implement. Target 31 December 2023.</p> <p>12. Agreed to implement. Target by 30<sup>th</sup> November 2023.</p>
Internal Audit Plan Area for 2023/24	Category 2 - Audit Follow Up Drive		
9.Audit Follow Up Drive  Position Statement issued July 2023.	Follow up of status of audit recommendations for 2021/22 and 2022/23 to assess implementation.	<p>Work undertaken in Quarter 1 &amp; 2 as scheduled.</p> <p>The recommendations followed up span across several service areas. The follow up drive concluded that the implementation rate of recommendations could be improved, and this message has been reiterated.</p>	

## Appendix A – Annual Audit Report 2023/24

		Status of recommendations and advisory points raised across more recent audits that coincides with this latest reporting period for 2023/24 is referred to above.
Internal Audit Plan Area for 2023/24	Category 3 – Audit Committee (PSIAS)	
10. Statutory Reporting and Audit Committee	Several processes undertaken and reports produced during the year in accordance with the Audit Committee Work Programme	<p>Audit Committee cycle for 2023/24 - July, November, January and March. Chair Briefings (Audit Committee and CPRC) and Committee meetings.</p> <p>Requirements for the July 2023 meeting delivered:</p> <ul style="list-style-type: none"> <li>• Annual Audit Report, Key Themes document and Audit opinion for 2022/23</li> <li>• Input to Annual Governance Statement</li> <li>• Revision to audit assurance opinions</li> <li>• Training session for the Audit Committee, liaison with external trainer and input to training material</li> </ul> <p>Requirements for the November 2023 meeting delivered:</p> <ul style="list-style-type: none"> <li>• Internal Audit Plan reprioritisation 2023/24 and status</li> <li>• Interim Audit Report of work activity and assurance provision April to October 2023</li> </ul> <p>Requirements for the January 2024 meeting delivered:</p> <ul style="list-style-type: none"> <li>• Annual review of Internal Audit Effectiveness and External Quality Assessment recommendations</li> </ul> <p>Requirements for the March 2024 meeting delivered:</p>

## Appendix A – Annual Audit Report 2023/24

		<ul style="list-style-type: none"> <li>Reporting relating to wider assurance work, corporate roles and responsibilities (Corporate Risk Management and Corporate Counter Fraud)</li> </ul> <p>Requirements for the July 2024 meeting – Annual Audit Report, Key Themes document and Audit opinion for 2023/24</p>
Internal Audit Plan Area for 2023/24	Category 4 – External Quality Assessment (PSIAS)	
11. Continuous Improvement	Periodic External Quality Assessment for Internal Audit Services forms an essential requirement under the Global Internal Audit Professional Practice Framework (IPPF) and Public Sector Internal Audit Standards (PSIAS)	Reciprocal arrangement undertaken with two other Surrey authorities during November to December to assess conformance with the Public Sector Internal Audit Standards (PSIAS). As part of the External Quality Assessment process, a substantial self-assessment documentation has been completed to ascertain compliance across a significant number of categories, and supporting evidence collated for validation/review. The independent review concluded that Spelthorne’s Internal Audit Service ‘generally conform’ to the PSIAS which is a positive overall rating, with many areas of good practice highlighted. Recommendations and action plans promoting continuous improvement were subsequently discussed and reported to the Corporate Management Team and Audit Committee.
Internal Audit Plan Area for 2023/24	Category 5- Corporate Roles and Responsibilities – Corporate Risk Management	
12. Corporate Risk Management	Corporate Risk Register	Identification, analysis, monitoring and reporting on strategic risk management. The Corporate Risk Register represents the Council’s most significant strategic risks, with updating, reporting and presentation of the register to Management team, Audit Committee and CIRC undertaken three times a year. The Corporate Risk Management Group has representation from

## Appendix A – Annual Audit Report 2023/24

		<p>Group Heads and Managers across the authority and provides an opportunity to discuss emerging and evolving risks and issues.</p> <p>The Internal Audit Manager delivered some refresher training and guidance at a Manager’s Briefing in February on effective risk management strategies/approaches and reinforced differences between internal controls and mitigations.</p>
13. Corporate Risk Management (Additional Work Area)	New Risk Management System	<p>In improving and modernising the visuals, design, presentational and reporting aspects of the Corporate Risk Register, the Internal Audit Manager collaborated closely with the ICT team. This included several stages of activity (scoping/planning/requirements/design and build/data input/testing etc) in progressing the development of an in-house central system for corporate risk management to support future input, analysis, collation and reporting. The refreshed Corporate Risk Register was presented to the Audit Committee in the new format in March and well received. The changes provide a further opportunity to promote and embed risk management principles and good practice such as risk ownership.</p>
Internal Audit Plan Area for 2023/24	Category 6- Corporate Roles and Responsibilities – Corporate Counter Fraud	
14. Corporate Counter Fraud	<p>Public authorities have a duty to support fraud preventative measures as well as deterrence, detection and investigation of fraud to minimise financial losses from being incurred and to ensure scarce public resources are not wasted or diverted from</p>	<p>The Council’s Counter Fraud Strategy forms part of the Council’s Constitution and was reviewed and refreshed in February.</p> <p>High level oversight, coordination and monitoring of counter fraud outcomes and initiatives for tackling high risk public fraud through continued collaborative working with the Service Provider, other internal services, and wider partners.</p>



**Appendix A – Annual Audit Report 2023/24**

	<p>residents/customers who need the service.</p>	<p>Quantified fraud reporting of outcomes continues. This is based on central government methodology and estimated financial losses if the fraud occurrence were to continue and remain undetected. The NFI (Cabinet Office) presents applicable financial savings to the public purse across each of the high-risk public fraud categories.</p> <p>Spelthorne’s overall returns and savings delivered through reducing losses from fraud and error across high-risk public fraud categories for 2023/24 amount to £367k (rounded), incorporating both notional and cashable savings. The cover report provides an analysis of returns across each of the high-risk categories.</p> <p>Promoted counter fraud strategy measures, targeting areas where the authority would benefit from utilising counter fraud specialist support to investigate suspected fraud which could potentially derive positive outcomes. Meetings with the Group Head Commissioning and Transformation and the Customer Services team concluded that going forward a focus on small business rate relief would be relevant as this represents a high-risk fraud area. The Customer Services team participated in a Countywide SPD exercise for Council Tax which has concluded positive results achieved where claimants are found not to be eligible for the 25% SPD discount applied. It has led to additional Council Tax revenue of more than £300k for the Council (chargeable against individual taxpayer accounts).</p> <p>The Data Matching Exercise is progressing well to target social housing fraud and the Strategic Lead for Housing is leading on the project. Potential matches have been identified and are being investigated with higher risk cases being prioritised.</p>
--	--	--

## Appendix A – Annual Audit Report 2023/24

		Counter Fraud messages have been developed further for the wider public to promote continued awareness and facilitate reporting.
Internal Audit Plan Area for 2023/24	Category 7 – Audit Support, advice and insight	
15. Audit Support, advisory work and insight	There is a growing expectation from Internal Audit professional practice bodies for Internal Audit to provide professional advice to the business (not decision making) during a climate of accelerating risk and challenge. This goes beyond core audit assurance work.	<p>Reactive and pro-active support, advice and insight has been provided to services, corporate groups and management team on a wide range of risk, control and governance issues. Input has been provided to the ‘risk considerations sections’ within Committee reports spanning a range of service areas which has required identification of risk and controls relating to the subject area.</p> <p>Attendance at Working Groups to gain insight into risks and issues, and in an advisory capacity such as Corporate Risk Management Group, Procurement Board and the Corporate Debt Group.</p> <p>Government Grant declarations submitted by the Audit Manager supported by reasonableness checks, verification and documentation review.</p>
Internal Audit Plan Area for 2023/24	Category 8 – Service Management including Contract Management	
<p>Planning, scoping and direction across a diverse work programme relating to audit, risk and assurance. Monitoring progress and delivery of expected outcomes, ongoing coordination of work activities, liaison across service areas, finalisation and completion of several work areas.</p> <p>Audit plan scheduling and reprioritisation as required.</p> <p>Continuous Performance Management and 1-1’s</p> <p>Dotted reporting Lines liaison and reporting; Chair of Audit Committee liaison; Independent Member of Audit Committee liaison</p>		

**Appendix A – Annual Audit Report 2023/24**

<p>Undertaken procurement exercise to support delivery of the 2023/24 audit work programme. Client contractor meetings and Auditor liaison to promote smooth delivery and support contract management.</p> <p>Internal Audit templates and procedural manual refreshed and updated to ensure they remain current.</p> <p>Managers Briefings monthly meetings; Marketplace Event for new Councillors</p> <p>Future Internal Audit Service Provision and TUPE process</p> <p>Managing ad hoc service requests</p>	
Internal Audit Plan Area for 2023/24	Category 9 – All other tasks in supporting service delivery (examples only)
<p>Corporate Processes – such as production of Service Plans; Health and Safety; Budget Management ; GDPR (Surrey Heartlands).</p> <p>Continuous Professional Development to keep abreast of topical issues and technical developments including revised mandatory Professional Internal Audit Standards scheduled undergone consultation phase, launched by the Chartered Institute of Internal Auditors (CIIA) in January 2024 with an expected conformance implementation across the Internal Audit profession by January 2025.</p> <p>Corporate Training</p> <p>Share Point transition, Housekeeping and Data Cleansing</p>	

\*Key to Assurance Opinions

<b>Substantial Assurance</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable Assurance</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

