

## Appendix 1 – Summary of audits completed (as per the 2021-22 audit plan)

Audit Title	Summary of Key Findings
<p><b>Adult Social Care (ASC) Budget Monitoring</b></p> <p><i>Indicative Scope:</i> a risk based review to provide assurance over the effectiveness of the controls in place in Adult Social Care to ensure the effective monitoring and managing of budgetary spend including the governance and monitoring controls in place regarding the Savings Programme.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including: governance arrangements for ASC budgets, savings monitoring and ways of working arrangements.</p>	<p>Two <b>Medium</b> risk issues were raised in the following areas:</p> <ol style="list-style-type: none"> <li><b>Action plan and alternative savings plans:</b> The Savings Delivery Tracker, which details savings that ASC is budgeted to achieve, does not outline actions or responsible owners for savings rated as red or amber. Furthermore, there are no formal processes/ guidance in place to determine when a savings plan is deemed unlikely to be attained and the subsequent action to be undertaken, including sign off.</li> </ol> <p><i>Management Response:</i> ASC now use a Project management methodology for all projects (including saving projects). We now have a project plan for all saving projects. The change and improvement board is the forum where all projects are monitored. Project leads are required to present a highlight report. The highlight report template to be updated to include saving made to date and a rag rating for the project.</p> <ol style="list-style-type: none"> <li><b>Budget setting and monitoring training:</b> There is no regular, formal training for ASC staff involved in the budget setting and monitoring process. Management is aware of this and following the full roll out of Oracle Cloud, training solutions will be assessed and rolled out in time for the next budget setting process and run periodically.</li> </ol> <p><i>Management Response:</i> All Heads of Service leading a saving project attended a project management workshop on 30 March 2022. Finance and Performance to develop a saving monitoring spreadsheet to be maintained on the shared Drive.</p>
<p><b>Flexible Working</b></p> <p><i>Indicative Scope:</i> a risk based review to provide assurance provide assurance over the design of the controls and the processes in place to manage and monitor the</p>	<p>One <b>Medium</b> risk issue was raised in the following area:</p> <ol style="list-style-type: none"> <li><b>Flexible working requests:</b> The Council does not capture the employees who have requested to work flexibly (e.g., part time working, compressed hours and job sharing). As this information is not held centrally, we were unable to verify whether the requests for flexible working had been approved appropriately and consistently and in line with the flexible working policy.</li> </ol>

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<p>objectives of the flexible working strategy.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including Flexible working strategy and the remote working.</p>	<p><i>Management Response: The new Case Management system has been configured to hold information in respect of Flexible Working requests. Senior HR Advisors will be provided with training in all aspects of the Case Management system, including Flexible Working requests. Managers will be reminded about their role and responsibilities in dealing with Flexible Working requests. Data will be reported to HRMT on a quarterly basis.</i></p>
<p><b>Council Companies and Governance Review</b></p> <p><i>Indicative Scope:</i> a risk based review to provide assurance on the governance and monitoring arrangements the Council has in place, including review of the companies' financial information, performance reports and KPI reporting.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including governance arrangements, financial management, performance Management and reporting.</p>	<p>Five <b>Medium</b> risk issues were raised within the following areas:</p> <p>1) <b>Responsibilities for Council employees working for the companies:</b> The management and two of the five directors of the companies are employed by the Council and line managed within the Council. This may create a conflict of interest as management may feel they need to represent the interests of the Council rather than the companies. These responsibilities need to be clarified to ensure that these conflicts are effectively managed, and the companies are robustly represented in disputes with the Council.</p> <p><i>Management Response: We will review job descriptions to identify and mitigate conflicts of interest.</i></p> <p>2) <b>Absence of Shareholder Panel Risk Register:</b> The Companies share their risk register with the Council and the Shareholder Panel. However, while the Shareholder Panel reviews this risk register biannually, it does not hold its own risk register on behalf of the Council. This means that the Council is not formally considering the risks to itself from the companies, for instance, the risk that the Council may need to provide additional financial support to the companies.</p> <p><i>Management Response: The need for a risk register will be reviewed at the next panel meeting.</i></p> <p>3) <b>Formalisation of Stress Testing:</b> Whilst stress testing is undertaken for the preparation of the business plans and used to inform the setting of performance indicators, there is limited documentation of this process including how the outcome impacts the Business Plans.</p> <p><i>Management Response: Stress testing will be included in the revised business plans.</i></p> <p>4) <b>Cost of overhead not captured as part of Service Level Agreement (SLA):</b> The Council has a SLA in place with the companies to recharge the cost of services provided to the companies.</p>

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	<p>This includes costs of staffing but not overheads associated with the staffing. Management consider this to be immaterial, but no work has been done to confirm this.</p> <p><i>Management Response: This will be considered as part of the next update to the SLA.</i></p> <p>5) <b>Escalation to Cabinet not in Shareholder Panel Terms of Reference:</b> The Cabinet has set out the criteria that would require escalation of reporting to them. However, this has not been formally incorporated into the terms of reference of the Shareholder Panel.</p> <p><i>Management Response: This will be added as part of an updated Terms of Reference.</i></p>
<p><b>Key Financial Controls</b></p> <p><i>Indicative Scope:</i> The audit was designed to identify, review, and assess the control design and test the operating effectiveness of key financial controls operating within the Council for five sub-processes:</p> <ul style="list-style-type: none"> <li>• General Ledger (GL)</li> <li>• Purchase-to-Payment (P2P)</li> <li>• Accounts Receivable (AR)</li> <li>• Payroll</li> <li>• Fixed Assets.</li> </ul>	<p>Two <b>Medium</b> risk issues were raised in the following areas:</p> <p>1) <b>Use of CHAPS forms:</b> Seven out of 20 (35%) of CHAPS forms sampled included a justification that was not of an ‘emergency’ nature’ in compliance with the procedure. There is a greater risk of CHAPS payments being used to bypass ordinary controls in the purchasing process. We note that the high volume was due to technical challenges as a result of the system migration to Oracle Cloud.</p> <p><i>Management Response: Management to review usage of CHAPS process on a monthly basis to identify and report trends to the associated areas as required. Further training to be provided to staff involved with administering the chaps process on the policy and procedure.</i></p> <p>2) <b>Fixed Asset Register maintenance:</b> There have been no live transactions or updates to the FAR since the Oracle Cloud migration in October 2021. We note that this is due to incomplete data uploads from the previous system and external audit adjustments not yet posted. There is a risk that accurate, up-to-date management information on the Council’s fixed assets position may not be produced in a timely manner.</p> <p><i>Management Response: The council is currently working with Infosys to address the outstanding issues with Fixed Assets.</i></p>
<p><b>Equality Strategy</b></p>	<p>Three <b>Medium</b> risk findings were raised within the following areas:</p> <p>1) <b>Measurement and reporting of equalities performance:</b> The Council has corporate Key Performance Indicators (KPIs) established that are regularly reported on, some of which relate to the equalities work undertaken within the Council. It was however noted that performance indicators and success measures for the Equality Strategy have not been formally identified, and</p>

*Indicative Scope:* a risk based review to provide assurance on the robustness and adequacy of the controls and governance arrangements in place surrounding the delivery and development of the Equalities Strategy and Action Plan.

The review focused on assessing the effectiveness of controls across a number of key areas, including Equality Strategy Governance, Equality Strategy Action Plan Development, and Equality Strategy Progress Monitoring.

management information on progress against the Equality Strategy Action Plan requires enhancement to allow management to identify whether they are on track to reach their strategic objectives or measure the outcome and impact of the projects.

*Management Response:* A clear equality performance matrix will be created which aligns with the corporate performance matrix. All actions must have an individual owner and specific timeline. Provide a bi-annual report to CMT which will include commentary on all actions highlight any action delivery risks identified.

2) **Engagement with wider stakeholders:** Whilst staff and residents were engaged with as part of the development of the Equalities Strategy 2019-23, we noted that since publication, the arrangements for continuously engaging with stakeholders has not been formally defined.

*Management Response:* To include equality questions in resident survey and staff surveys to capture and understand the characteristics of respondents to ensure engagement with unrepresented residents/staff is increased. The boards will provide a mechanism for key stakeholder groups to provide regular feedback and provide input.

3) **Equality framework and programme of work:** A formal framework to provide a structure for how equalities work is undertaken, and a programme of work to direct the activities undertaken by the Equalities Officer, is not currently in place. It is acknowledged that this is due to a number of reasons, including:

- The Strategy and Partnerships Service Plan, which includes a pillar on the work of the Equalities Officer, for the current financial year was in draft state awaiting approval, and therefore there had not been agreement from leadership as to the priorities of the Equalities Officer; and
- The Council was undertaking an exercise to update the Borough Plan. Once the Borough Plan has been updated the Head of Strategy and Partnerships and the Equalities Officer planned to develop a new Equality Strategy to align with the Borough Plan.

*Management Response:* A new strategic framework will be created with four elements: A revised high-level statement of intent outlining the Council's ethos and commitment to Equality, Diversity, and Inclusion, EDI Objectives: To meet local needs and priorities aligned to the Borough Plan, Governance: An overview of how progress will be managed, proactively monitored, evaluated, reviewed, and reported.

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	<p><i>A new strategic framework with a clear performance matrix to monitor and ensure the corporate key performance measures are on track to reach the strategic objectives and ascertain whether the Equality Diversity and Inclusion Strategy 2023-27 has resulted the intended outcomes.</i></p> <p><i>Embed the framework and strategy. This will be a key objective for the first year of the Equality Diversity and Inclusion 2023-27.</i></p> <p><i>The strategic framework will have a revised EDI infrastructure. This includes setting up boards to ensure the Council effectively monitors and reflects on the progress made.</i></p> <p><i>Ensure the Borough Plan 2023-27 informs the Equality Diversity and Inclusion 2023-27 Strategy and subsequent action plans to ensure it is providing a robust alignment with corporate priorities.</i></p>