

Dorset Council

Report of Internal Audit Activity

Progress Report 2023/24 – June 2023

Executive Summary

As part of our update reports, we will provide an ongoing opinion to support our end of year annual opinion.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating previously identified significant risks.

The contacts at SWAP in connection with this report are:

Sally White Assistant Director
Tel: 07820312469
sally.white@swapaudit.co.uk

Angie Hooper Principal Auditor
Tel: 07536453271
angela.hooper@swapaudit.co.uk

SWAP is an internal audit partnership covering 26 organisations. Dorset Council is a part-owner of SWAP, and we provide the internal audit service to the Council.



Audit Opinion, Significant Risks, and Audit Follow Up Work

Audit Opinion:

This is our first update report for 2023/24 financial year.

Our live [Internal Audit Rolling Plan](#) and specifically the coverage and assurance tab (*which can be found on the first tab of the Rolling Plan or on page 3 below*), reflects the outcomes of recent reviews completed. Based on these recent reviews, we recognise that generally risks are well managed. We have identified some gaps, weaknesses and areas of non-compliance however, we have reasonable to high levels of confidence that the agreed actions will be implemented and as such are able to offer a **reasonable opinion**.

Since our last progress report in April 2023, we have issued **three Limited** assurance opinions on the areas and activities we have been auditing. Further details on this can be found on pages 7 to 9 below.

Significant Corporate Risks

Update on Response to Climate Emergency

Since our last update report, we have undertaken a follow up of the agreed actions and have been working with the Corporate Director, Transformation, Innovation and Digital. We can report that all actions are at least in progress, with two completed. One action is overdue but should be closed off by the end of July. A report detailing our work can be found on page 10. Due to the nature of these actions, long implementation dates were agreed, so the majority of them are not due until 2024/25 and the service will need more time to demonstrate completion. Therefore, we will maintain contact with the Corporate Director and will undertake another formal follow up in early 2024.

Update on Premises related Health and Safety

Since our last report, we have undertaken a formal follow up and can report that whilst only two of the nine agreed actions are complete, good progress has been made towards implementing all actions and this work should be completed by the end of December 2023. A report on the outcome of our follow up work can be found on page 11 and we will undertake a further follow up at the end of November 2023.

Executive Summary

For further details see:

<https://www.swapaudit.co.uk/>

Follow Up of Agreed Audit Actions

The number of outstanding audit actions has dropped from 10 reported as at 17/04/23 to 7 as at 29/06/23. This demonstrates that good progress continues to be made in ensuring that audit actions are implemented by services in a timely manner. The usual performance graphs on implementation of audit actions can be found on page 4 below and as always, further details on outstanding actions can be found by viewing the follow up **Action Tracker** which is stored in the same location as our Rolling Plan and can be viewed by clicking on [this link](#).

Internal Audit Plan Progress 2023/24

Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation’s risk profile effectively.

For those areas where no audit coverage is planned, assurance should be sought from other sources to provide a holistic picture of assurance against key risks.



SWAP Internal Audit Plan Coverage

The table below, captures our audit coverage, mapped against the Authority’s corporate risk themes. Furthermore, we have then overlayed the audit assurance outcomes of those risk areas that we have reviewed. As you will see we have provided some level of recent audit work across all the areas of the corporate risk themes. It is possible on our [Internal Audit Rolling Plan](#) document to also view coverage of our recent audit work mapped by Core Areas of Recommended Assurance, SWAP Top 10 Risk Themes, and Corporate Plan Objectives (please ensure that you download the document in the ‘desktop app’ which will open the document in Excel).

Risk Theme	Coverage	Assurance assessment based on completed internal audit work
CR01 - Finance	Good	Reasonable
CR02 - Compliance	Good	Reasonable
CR03 - Health, Safety & Wellbeing	Adequate	Limited
CR04 - Communities	Good	Limited
CR05 - Digital & Technology	Good	Substantial
CR06 - Safeguarding	Adequate	Reasonable
CR07 - Transformation	Some	Limited
CR08 - Workforce	Good	Limited
CR09 - Political & Leadership	Some	Limited
CR10 - Service Delivery	Good	Non-Assurance audit work

Coverage Key	
Good	Good audit coverage completed
Adequate	Adequate audit coverage completed
Some	Some aspects of audit coverage completed
In progress	Some aspects of audit coverage in progress
None	No audit coverage to date

**Audits carried out more than 2 years from current date are not included.*

**Audits carried out between 12 and 24 months from current date have a reduced impact on audit coverage.*

Assurance Key	
Substantial	Sound system of governance, risk
Reasonable	Generally sound system of governance, risk
Limited	Significant gaps, weaknesses or non-
No Assurance	Fundamental gaps, weaknesses or non-

**Audits carried out more than 12 months from current date are not included.*

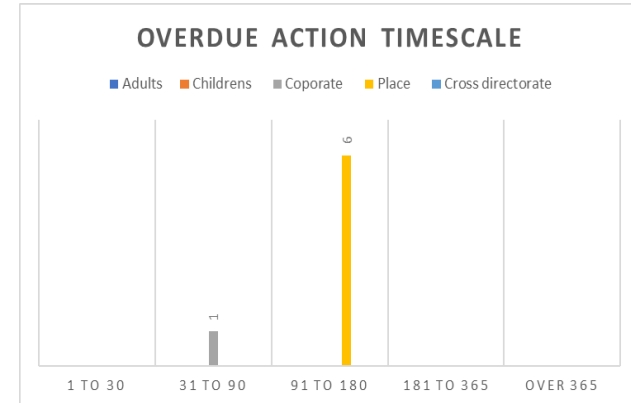
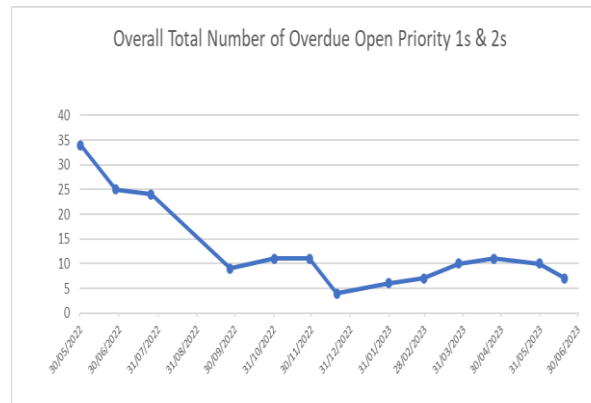
Internal Audit Plan Progress 2023/24

We review our performance to ensure that our work meets our clients' expectations and that we are delivering value to the organisation.

SWAP Performance Measures

Performance Measure	Performance
<p>Overall Client Satisfaction <i>(Did our work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i></p>	100%
<p>Value to the Organisation <i>(Client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i></p>	100%

Outcomes from Follow Up Audit Work



Long overdue actions could have revised implementation dates, however our metric is measured from the original agreed date.

Internal Audit Plan Progress 2023/24

Added Value

‘Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.’



Added Value

Cifas

The use of the Cifas data sharing service continues to bring benefits. Since our last update all Adults service users at the financial assessments stage and Homelessness applicants are now being run through the database to identify any matches. In addition, Cifas have provided training on the use of facial matching which could be used where individuals are required to provide identification, such as homelessness applicants. We are progressing Adults micro providers, Financial Agents and Power of Attorneys, and housing register applications. Future areas that we would like to expand into include Children’s Services and Licensing. Previously agreed areas continue to be run through the database with matches being identified and action taken where necessary.

Data Analytics

Data analytics, which has been used to inform audit findings and to provide additional insight has been undertaken for the Manager Self-Serve, Fostering Panel Processes, Homelessness Front Door Services and Accounts Payable Continuous Audits.

Newsletters and updates

SWAP regularly produces a newsletter and other relevant updates for partners such as fraud bulletins, which provide information on topical issues of interest.

The role of SWAP as the internal auditors for Dorset Council is to provide independent assurance that the Council’s risk management, governance and internal control processes are operating effectively. In order for senior management and members to be able to appreciate the implications of the assurance provided within an audit report, SWAP provide an assurance opinion. The four opinion ratings are defined as follows:

Assurance Definitions	
No Assurance	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.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited
Reasonable	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.
Substantial	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.

In addition to the assurance definitions above we also provide an ‘**assurance dial**’ which indicates on a range of high medium or low where within the range of that assurance a particular audit assurance sits.



As can be seen in this example the assurance provided is low limited as the dial is sitting on the lower end of the limited scale. It could equally have been a medium limited assurance where the dial sits midway or high limited when it is sitting at the upper end close to the reasonable assurance.

The Committee is able to view a record of all internal audit work on the [Rolling Plan](#). Please follow this link, click on the files tab and then on the file called **Internal Audit Rolling Plan**. From the document, members are able to view work in progress and all completed work that would have previously been reported to the Committee in a table form. To provide the Committee with additional insight we include our one-page audit report in full for Limited assurance audits.

Data Quality & Information Governance – Final Report – May 2023



Audit Objective To review the controls in place for managing the quality of data held by the Council and the governance surrounding the management of data.

Assurance Opinion	Number of Actions	Risks Reviewed	Assessment	
				Priority
<p>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.</p>	Priority 1	0	1. Decisions are made using poor quality data leading to poor outcomes for residents and lack of value for money for the Council.	Medium
	Priority 2	3		
	Priority 3	3	2. Insufficient governance around the roles and responsibilities for the management of data lead to potential data breaches resulting in reputational damage and potential fines.	Medium
	Total	6		

Key Findings	
	The findings below should be read in the context that the Data & BI Strategy has recently been approved by cabinet. Management demonstrated awareness of the challenges faced by the council and the need to become a more data driven organisation. Much work has already been done to refresh the Strategic Information Governance board however, we feel the points below should be considered when management are implementing the Data & BI Strategy.
	The audit identified a cohort of c.800 staff without a Microsoft licence or Dorset Council email access, some of whom have access to sensitive information, and may be accessing information via their personal email accounts and WhatsApp. This results in the Council having limited influence or oversight over how the data is stored, used and shared once it is on a personal device.
	Each month the Performance Leadership Dashboard is manually updated using information captured in the “master spreadsheet”. There are only limited checks performed by Business Partners to validate the quality and accuracy of data captured in the spreadsheet. We also noted KPI “targets” had often not been defined or documented, and there was a lack of clarity regarding how the RAG status is determined for key metrics. The manual nature of the process means it could be prone to error.
	Dorset Council does not have a data sharing policy or framework, and there is limited oversight of existing data sharing agreements. Management do not have a holistic view of all data sharing agreements with external partners. This presents a risk, particularly with historic data sharing agreements because there is limited consideration of whether they remain relevant, compliant with legislation (such as GDPR) and appropriate to the needs of the Council.

Audit Scope
<p>The scope of the audit included a review of the following:</p> <ul style="list-style-type: none"> Processes in place for checking the quality of data held within systems How data is used in the Performance Leadership Dashboard Controls around data sharing agreements Whether roles and responsibilities for the management and storing of data are clearly defined How lessons are learned from data breaches or near misses Management oversight, including actions taken when it is known that data may not be accurate <p>Scope exclusion – we did not review organisational compliance with GDPR.</p>

Next Steps
 Upon completion of the audit fieldwork we briefed senior management on our findings. In total the audit identified six issues where we believe further action is required to improve the control environment and have formed a detailed action plan.

Unrestricted Full details of our audit testing are available upon request. Our audit assurance framework and definitions can be found here (www.swapaudit.co.uk/audit-framework-and-definitions)
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Homelessness - Front Door Service – Final Report – May 2023



Audit Objective To provide assurance on the prevention of homelessness front door services.

Assurance Opinion		Number of Actions		Risks Reviewed	Assessment
<p>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.</p>		Priority	Number	The Council does not comply with its statutory responsibilities leading to an increase in homelessness resulting in a poor impact on the health and wellbeing of Dorset residents, increase in financial burden on the Council and associated potential reputational damage.	Medium
		Priority 1	0		
		Priority 2	4		
		Priority 3	6		
		Total	10		

Key Findings	
	A concept of the Homelessness Act 1996 is the creation of Personal Housing Plans (PHP's), a collaborative document containing specific actions for applicants and the Council. Sample testing showed that actions for the Council were not always captured or clearly specified. The service should ensure that the PHP's are completed to the expected standards capturing all the actions that need to be completed.
	The Service Lead has been in place since May 2022 and has introduced a toolkit to improve standards of working practices. However, gaps and inconsistencies in data quality in Huume still remain so additional training and monitoring of performance should be used to ensure expected standards are maintained.
	Sample testing demonstrated that sufficient evidence to support decisions, together with additional notes was not always obtained in every case and staff should be reminded of the expectations required. Any notes to further support the decision made should also be included in every application.
	The case management system (Huume) is flexible and has reporting and dashboard capabilities. This should be used to the Council's advantage to provide insights to where continuous improvements can be made.
	The service has made improvements in complying with the 56-day statutory deadline since the beginning of 2022 when Huume was adopted. Evidence of this improvement can be found in Appendix 2 where we have detailed some of our data analysis.

Audit Scope
We have reviewed the following: <ul style="list-style-type: none"> • The timeliness of the completion of housing assessments and personalised housing plans • The provision of advice • How eligibility for assistance is determined • How the duties to prevent and/or relieve homelessness are fulfilled • How reviews of decisions made about entitlements to assistance are completed • How fraudulent applications are detected • Record keeping and how the service keeps track of cases • Upwards reporting and oversight by senior management Data analysis of records has been undertaken to provide additional insight.

Other Relevant Information

Actions have been agreed with management and are detailed in an action plan. There has been a significant amount of work happening in the Homelessness service since the appointment of a new service lead in May 2022 and improvements have been continuous during the audit. It must also be noted that there has been a large turnover of officers in the service which explains some of the data quality issues identified.

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Effectiveness of Manager Self Service – Final Report – June 2023



Audit Objective

To provide assurance that the Council has arrangements in place to ensure that managers are undertaking expected Manager Self Service tasks accurately and on a timely basis.

Assurance Opinion



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.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	6
Priority 3	1
Total	7

Risk Reviewed

Failure to undertake necessary tasks through Manager Self Service leading to inaccurate and incomplete records on which decisions may be based impacting staff working terms and conditions which may lead to financial loss and reputational risk.

Assessment

Medium

Key Findings

- There is a lack of adequate controls within the system allowing staff and managers to circumvent the procedures which results in non-compliance with policy and regulations.
- ICT are unable to obtain transactional reports from DES/SAP to help maintain an overview of the tasks that managers should be undertaking through Manager Self Service (MSS).
- This audit has identified issues which suggests a lack of use of the tools available or a lack of understanding or awareness by the managers of their MSS role and responsibilities.
- High time off in lieu (TOIL) balances which remain should be managed to a more acceptable level. The work schedule rule is not always accurate in DES and these should be amended so accurate monitoring can take place.
- There is a wide range of guidance to assist managers to undertake the required tasks within MSS, but the survey has indicated that there is a lack of awareness of these.
- Mandatory Cyber training is not currently included within the HR dashboard.

Audit Scope

The audit reviewed the following: -

- MSS tasks were identified and HR data was requested for analysis to detect 'red flags' within the system.
- Assessment of the MSS tasks that managers are undertaking across the Council to identify areas of inconsistencies.
- A review of the support and guidance for managers to enable them to undertake all of their required duties.
- Monitoring arrangements to ensure all managers are operating to the expected standard.

Added Value

- A survey around the use of DES for MSS was sent to 80 managers across the four Directorates. 49 responses were received which have been summarised and shared with the Head of Human Resources. The general indication is that managers do not find MSS intuitive with some managing records for leave and flexi outside of the system.
- The results from the data analytics carried out by SWAP for flexi and time off in lieu has been shared with the Head of Human Resources.

Unrestricted

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Response to Climate Emergency Follow Up – Final Report - June 2023



Follow Up Audit Objective

To provide assurance that agreed actions to mitigate against risk exposure identified within the 2022/23 Limited opinion audit of the Response to Climate Emergency report have been implemented.

Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	0	2	0	2
Priority 2	2	4	0	6
Priority 3	0	0	0	0
Total	2	6	0	8

Follow Up Assessment

The original audit was completed and reported in January 2023 and received a Limited assurance opinion. The follow up audit has found that six of the actions are in progress, although only one of these is overdue and has a revised timescale. Five of the actions are not due to be implemented until 2024 and 2025. Key findings have been summarised below.

Follow Up Scope

Testing has been performed in relation to all priority 1 and 2 actions and supporting evidence obtained to support implementation of actions.

Key Findings



It is very positive to be able to report that whilst a number of actions are not due to be implemented until 2024 and 2025 some progress has been made against all agreed actions with two actions now marked as complete.

Training is currently being rolled out to Council staff and there is improved collaboration through the establishment of the Dorset Public Sector Decarbonisation Group. The approval of the climate and ecological decision-making tool should enable climate and ecological considerations to be at the forefront of decision-making once it becomes embedded. Work is ongoing to improve the quality of and access to data and additional resources and funding are being sourced which should assist with completion of the implementation of all the agreed actions.

Further Follow Up Required

Further details of actions can be found in an action plan. A second follow up will be undertaken during the early part of 2024 with potential subsequent follow ups undertaken as necessary to enable the service to demonstrate implementation towards completion of the actions which are due to be implemented by 30th April 2025.

A summary of the key findings from our review will be presented to the Audit and Governance Committee on 17th July 2023. Progress of outstanding actions will be reported to Audit and Governance Committee during 2024 and 2025.

Unrestricted

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Premises Health and Safety Follow Up Review – Final Report - June 2023



Follow Up Audit Objective

To provide assurance that agreed actions to mitigate against risk exposure identified within the 2022/23 Limited opinion audit of Premises Related Health and Safety report have been implemented.

Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	1	1	0	2
Priority 2	1	5	0	6
Priority 3	0	1	0	1
Total	2	7	0	9

Follow Up Assessment

The original audit was completed and reported in September 2022 and received a Limited assurance opinion. This follow up audit has found that seven of the actions are still in progress. This report details the status of the outstanding actions. Key findings have been summarised below.

Follow Up Scope

Testing has been performed in relation to all priority 1 and 2 actions and supporting evidence obtained to support implementation of actions.

Key Findings



Assets & Regeneration have made good progress starting to implement the audit actions. Work completed and in progress is summarised below: -

- Cabinet approved the Corporate Landlord approach in 2020, but little progress had been made. Public Intelligence have been appointed to assist the Council in implementing the Corporate Landlord model, with the library service being the first to be rolled out and a plan to be fully implemented by April 2024.
- A new Health and Safety Compliance Board has been formed which is chaired by the Executive Director for Place.
- A compliance project is underway with over 100 surveys completed in the areas of asbestos and water safety (legionella). The focus at the moment is in ensuring the Council's 'high-risk' assets are deemed to be safe, legal and compliant. Buildings deemed as high risk are those that are occupied, such as schools, care homes, public facing buildings and buildings where staff are based. A new Asbestos Management Policy is in place.
- Excellent progress has been made in converging all asset information onto the Council's central asset & property database, Tech Forge. The system will be going 'live' in August 2023 although a significant amount of data still needs to be cleansed.
- A new set of Key Performance Indicators has been developed which will be reported to the new Health and Safety Compliance Board
- A process has been put in place which includes communication with tenants etc to ensure annual compliance is being carried out.
- A contractor has been provided with a schedule of sites for the Portable Appliance Testing (PAT) with arrangements for 'out of hours' access. This is due to be completed across all sites with an annual schedule in place by the end of December 2023.
- There is a requirement for a record of all of the Premises Responsible Person (PRP) to be recorded against each asset. A review of around 600 leases is being undertaken and the surveying team has temporarily assigned a responsible person to the asset base. This work is due to be concluded by September 2023.

Further Follow Up Required

Further details of actions can be found in an action plan with outstanding actions due to be implemented by 31st December 2023. A summary of the key findings from our review will be presented to the Audit and Governance Committee on 17th July 2023. Going forward, further follow up work will be carried out during November to review the progress of the seven outstanding actions which will be reported to Audit and Governance Committee in January 2024.

Unrestricted

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