

Dorset Council

Report of Internal Audit Activity

Progress Report 2023/24 – April 2024

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

For further details see:
<https://www.swapaudit.co.uk/>



Audit Opinion, Significant Risks, and Audit Follow Up Work

Audit Opinion:

This is our final update report for 2023/24 financial year. As this update can be viewed together with information provided within the Internal Audit Annual Opinion Report this update report has been shortened to contain essential elements only.

Since our last progress report in January 2024, we have issued **two Limited** assurance opinions on the areas and activities we have been auditing. Further details on this can be found on pages 3 and 4 below. Agreed action plans are in place to improve internal controls in these areas, which we will follow up through our usual processes.

Significant Corporate Risks

Update on Response to Climate Emergency

Due to the nature of the actions, long implementation dates were agreed with the majority not due until 2024/25. Three actions were due to be implemented at the end of April 2024 and we can report that all three actions have already been completed. In addition, good progress is also being made to implement the remaining actions that are due by the end of April 2025, and we commend the team for the level of work undertaken. We will conduct another follow up nearer that time. The follow up report can be found on page 5.

Update on Premises related Health and Safety

In January, we reported that three actions were still outstanding and that revised implementation dates had been agreed for the end of February and end of March. We have met with the Head of Assets and Property and whilst he has advised that work is progressing on all three actions, unfortunately they are still outstanding with proposed revised implementation dates of the end of May, end of September and end of December. We will update the Committee at the meeting in July 2024.

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 dashboard held in AuditBoard [AuditBoard | Login \(auditboardapp.com\)](https://auditboardapp.com) including 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.

Children with a Disability (CWAD) Service – Final – January 2024



Audit Objective

To review the effectiveness of controls and processes for the commissioning, review and monitoring of packages of care for children with a disability.

Executive Summary

	Assurance Opinion	Management Actions	Organisational Risk Assessment	Medium
	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.	Priority 1	0	Our audit work includes areas that we consider have a medium Organizational risk and potential impact. The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.
		Priority 2	3	
		Priority 3	4	
		Total	7	

Key Conclusions

	Current finance monitoring data is not fully accurate and relies upon the manual amalgamation of data from both the finance system and Mosaic, causing discrepancies. Further review is recommended to ensure all relevant information is captured in monitoring reports.
	Testing carried out on invoices paid found inconsistencies between agreed care hours and hours that providers have invoiced for. The service should implement a new process to investigate differences prior to payment.
	Yearly reviews are conducted by the social or family worker to ensure children’s needs are being met and are recorded in monitoring reports, which the CWAD manager has limited oversight of. Regular distribution of these reports to the CWAD manager would ensure continuous monitoring.
	Current panel minutes inputted onto Mosaic don’t demonstrate clear corroboration with final decisions and review need. Out-of-panel decisions are not managed accordingly and result in inappropriate extended allocation. A new process is recommended to ensure a standardised approach for decision rationale and timescales for package reviews are implemented.
	A legally compliant process for allocating support is in place and packages of support continue to be provided unless the case is returned to Panel, or the Service Manager agrees to an out-of-panel request. The service is implementing a new process for suppliers to ensure those going forward are on the New Framework. This process focuses on formal review times and incorporates clear KPI’s and outcomes, which will directly support in accurate monitoring, reviewing, and reporting.

Audit Scope

The audit reviewed the following:

- How packages of support are commissioned, including the rationale for selection of suppliers.
- The decision-making framework in place for the commissioning of packages of care.
- Processes for review of packages and suppliers.
- Budget monitoring activities in place and oversight by senior management.
- Processes for recording and reporting data for monitoring purposes.

Where possible, data analysis was undertaken to inform audit testing and to provide additional insight.

The Joint Funding Arrangements audit has reviewed the controls around ensuring that contributions from Health partners for children with a disability are received.

Other Relevant Information

Three actions have already been implemented by the CWAD team during the course of the audit and the remaining actions will be followed-up in line with their allocated timescales.

RMMSCW Framework – Final Report – March 2024



Audit Objective To provide assurance that the Repairs, Maintenance, Minor and Small Capital Works (RMMSCW) Framework is being adhered to.

Executive Summary

	Assurance Opinion	Management Actions		Organisational Risk Assessment	Medium	
	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage the risks to the achievement of objectives in the area audited.	Priority 1	0	Our audit work includes areas that we consider have a medium organisational risk and potential impact. The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.		
		Priority 2	12			
		Priority 3	1			
		Total	13			

Key Conclusions

	There doesn't appear to be established, consistent systems in place for requesting estimates, authorising spend over the set limits or ensuring that works are assigned to the correct Lot. Documents are generally held by individuals and if a surveyor leaves there is no formal handover and access to required documents, such as estimates. All of these issues identified indicates that the Framework is not being consistently adhered to.	Audit Scope The audit has reviewed the following: <ul style="list-style-type: none"> Processes in place from the identification of a required piece of work through to the award and payment for the work Differences in original estimates through to actual costs and how these are managed Analysis of payments made to contractors through the RMMSCW to ensure that only approved contractors are being used for the category of works Authorisation levels for the different works being carried out, looking at whether a contract should be in place Scope Exclusion - It should be noted that the current Framework is being reviewed and this was not included within the scope of this audit. Due to a lack of records, we were unable to confirm estimates to national federation rates.
	Management oversight and monitoring needs strengthening to gain assurance that the correct processes are being followed. This could be achieved through spot checks of invoices paid.	
	Contracts are not being managed effectively and the monitoring spreadsheet requires an oversight to ensure that meetings are being held. There is no formal process for when a contractor retires from a Lot to appoint a replacement on the Framework.	
	A tender exercise is being undertaken to set up a new framework for repairs and maintenance. Issues identified within this audit report should be taken into account when formalising the tender to ensure all appropriate areas are included.	

Next Steps

The actions raised can be found within the Findings and Action Plan and there are agreed timescales for their implementation which will be followed up in due course. An analysis of spend for the past three years was also shared with the service.

Response to Climate Emergency Follow Up – Final Report – March 2024



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	1	1	0	2
Priority 2	5	1	0	6
Priority 3	0	0	0	0
Total	6	2	0	8

Follow Up Assessment

The original audit was completed and reported in January 2023 and received a Limited assurance opinion. A follow up audit was undertaken in June 2023 which closed off two actions. This follow up audit has found that a further four actions are now complete with just two remaining which are in progress. These two actions are not due to be fully implemented until 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



There has been significant work undertaken by the Climate and Ecological Sustainability team since the last follow up. The climate and ecological decision tool has now been fully embedded into the decisions being made by the council. There have been significant bids for further resources to third parties to support the council with their plans and enable more work to be undertaken. The Climate team have done a deep dive into the data they have been using for the BEIS return to understand it better. This includes any limitations of the data source. From this deeper understanding they have been able to put in place better measures to reduce the emissions of the council. There is further work for the council to do with the formation of the Climate and Ecological Operational group to drive forward the changes needed to achieve the 2040 target. Also there is more work needed on scope 3 and the challenges represented by this, however we would commend the team for the level of work undertaken at this stage.

Further Follow Up Required

A third follow up will be undertaken to enable the service to demonstrate implementation towards completion of the two 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 15th April 2024. Progress of outstanding actions will be reported to Audit and Governance Committee during 2024 and 2025.