

# Dorset Council

## Report of Internal Audit Activity

Progress Report 2024/25 – January 2025

## 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](mailto:sally.white@swapaudit.co.uk)

**Angie Hooper** Principal Auditor  
Tel: 07536453271  
[angela.hooper@swapaudit.co.uk](mailto:angela.hooper@swapaudit.co.uk)

SWAP is an internal audit partnership covering 25 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 third update report for 2024/25 financial year.

Our live Rolling Plan dashboard available through our audit management system AuditBoard [AuditBoard | Login \(auditboardapp.com\)](#), and specifically the Audit Coverage (*which can be found on the first tab of the dashboard 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 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 September 2024, we have issued three **Limited** assurance opinions on areas and activities that we have been auditing, one of which has been identified as having a potential significant corporate impact. Agreed action plans are in place to improve internal controls in these areas, which we will follow up through our usual processes. The summary reports can be found on pages 8 to 10.

In September, we reported a Limited assurance opinion for Estates Income & Debt Management, but we had also been engaged in further dialogue with the service who had advised us that there was more evidence that wasn't provided at the time of the audit. We have since undertaken some follow up work and can report that the original Limited assurance opinion stands but that four of the five actions that were due have been completed with one in progress. The follow up summary report can be found on page 11 and analysis of the top 75 debts (as at August 2024) in Appendix B.

#### **Significant Corporate Risks**

SWAP has undertaken an audit of **Effectiveness of Business Continuity Plans** to provide assurance that business continuity plans are adequate to maintain critical operations, systems and services during an incident. Whilst we acknowledge that this audit was requested by the Service Manager for Assurance following an incident in May 2024 where the Council experienced an issue with Microsoft licencing that required business continuity plans to be invoked, the Council lacks a unified, Council-wide consistent approach to business continuity planning for it to be effective. Regular risk assessments and business impact analyses are not systematically

## Executive Summary

conducted to inform business continuity planning, and there is a lack of regular, council-wide testing, exercising, monitoring or reviewing of business continuity plans which could leave the Council vulnerable during disruptions. Further details can be found in the summary report on page 10. Actions are due to be implemented by the end of May 2025 and we will report progress of implementation in our update in July 2025.

### **Update on Response to Climate Emergency**

In April, we reported that all actions that were due had been completed. The remaining one priority 1 and one priority 2 actions are not due until 30<sup>th</sup> April 2025, so we will undertake another formal follow up nearer that time to allow the actions to become embedded.

### **Follow Up of Agreed Audit Actions**

Graphs showing the numbers of overdue priority 1 and 2 actions and those actions with revised due dates can be found on page 5. There are 26 overdue actions, 11 of which have passed their original date and 15 of which have passed at least one revised date. In addition, there are another 10 actions where the date has been revised at least once but the latest revised date has not yet passed.

Both the number of overdue actions and those with revised timescales remain high, but we are in contact with officers to ensure that actions are implemented in a timely way. Further details on outstanding actions can be found by viewing the Management Actions tab of the SWAP Executive dashboard which is stored in AuditBoard and can be viewed by clicking on this link [AuditBoard | Login \(auditboardapp.com\)](#)

# Internal Audit Plan Progress 2024/25

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 since November 2022 when we started using our audit management system, AuditBoard [AuditBoard | Login \(auditboardapp.com\)](https://auditboardapp.com). Furthermore, we have then overlaid 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 of the corporate risk themes. It is possible on the dashboard to also view coverage of our recent audit work mapped by Corporate Priorities, Directorates, SWAP Top 10 Risk Themes, and Core Areas of Recommended Assurance. The audits that make up the coverage can be viewed by right clicking in the coverage cell, select drill through and audit details.

Strategic Risk	Coverage (Completed Audits)	Average Opinion of Completed Audits
DC R01 - Finance	Good	Reasonable
DC R02 - Compliance	Adequate	Limited
DC R03 - Health, Safety, Wellbeing	Some	Reasonable
DC R04 - Communities	Adequate	Reasonable
DC R05 - Digital & Technology	Some	Reasonable
DC R06 - Safeguarding	Some	Reasonable
DC R07 - Transformation	Some	Limited
DC R08 - Workforce	Some	Limited
DC R09 - Political & Leadership	Some	Limited
DC R10 - Service Delivery	Good	Reasonable

Coverage	Description
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

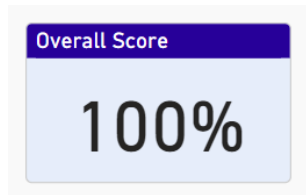
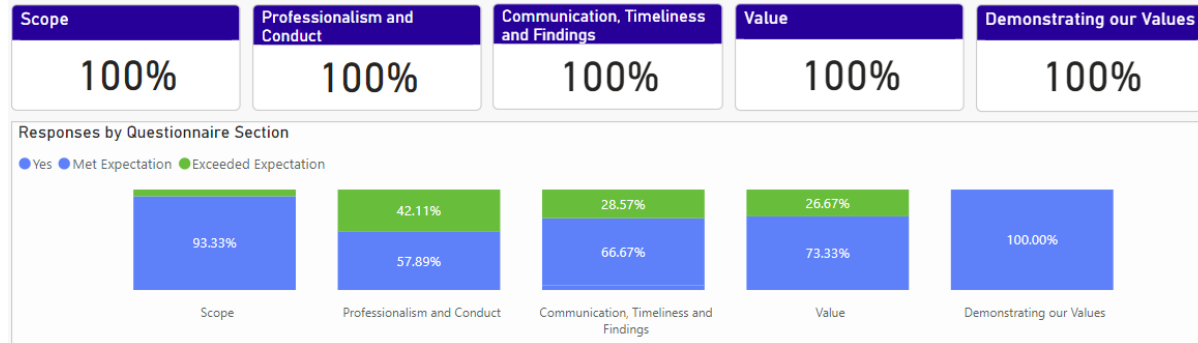
Assurance	Description
Substantial	Sound system of governance, risk management and controls exist
Reasonable	Generally sound system of governance, risk management and control in place
Limited	Significant gaps, weaknesses or non-compliance were identified
No Assurance	Fundamental gaps, weaknesses or non-compliance identified

# Internal Audit Plan Progress 2024/25

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

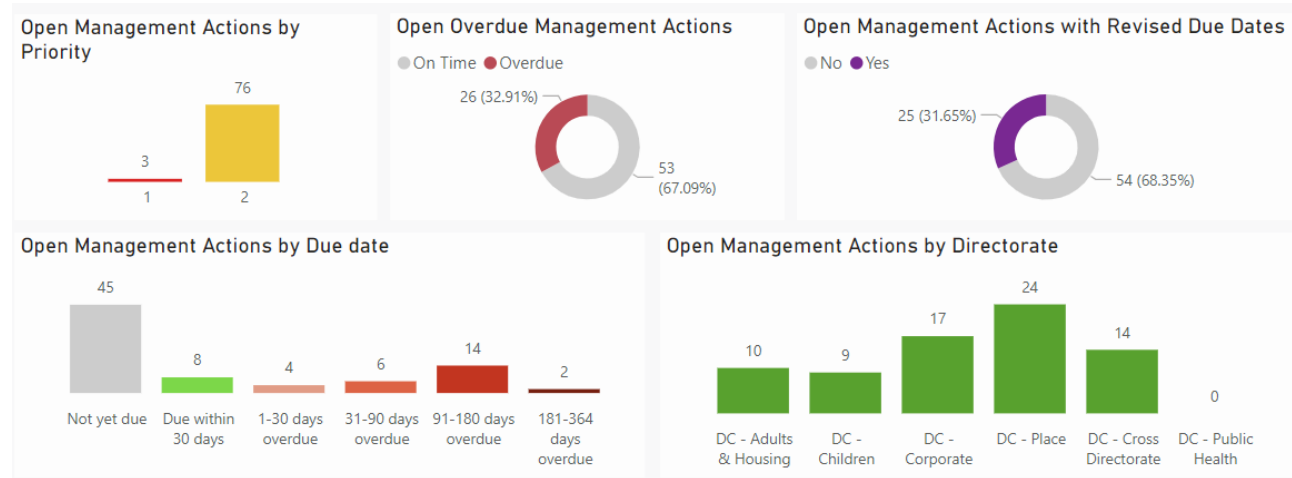
Performance scores from post audit questionnaires:



# Internal Audit Plan Progress 2024/25

We monitor the Council's performance for implementation of agreed actions.

## Outcomes from Follow Up Audit Work



## Internal Audit Plan Progress 2024/25

### 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 in preventing and detecting fraud. Since our last update it has been decided not to progress with the project to use Application Programming Interface (API) between Mosaic and Cifas to identify deceased cases because the level of debts does not justify the resources required. Annual checks of senior officers are now taking place. Previously agreed areas continue to be run through the database with matches being identified and action taken where necessary.

#### **Whistleblowing Investigations**

SWAP's Counter Fraud team has recently completed an investigation which resulted from whistleblowing and have also just started another unrelated investigation which is also a result of whistleblowing.

#### **Data Analytics**

Data analytics, which has been used to provide to inform audit findings and provide additional insight has been undertaken for the Estates Income and Debt Management (Top 75 debts). Benchmarking exercises have been carried out for Governance of Cyber Security Risk, Implementation of Domestic Abuse Strategy and Children's Social Care Complaints.

#### **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	
<b>No Assurance</b>	The review identified fundamental gaps, weaknesses or non-compliance, which require immediate action. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
<b>Limited</b>	The review identified significant gaps, weaknesses or non-compliance. The system of governance, risk management and control requires improvement to effectively manage risks to the achievement of objectives in the area audited
<b>Reasonable</b>	The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Substantial</b>	The review confirmed a sound system of governance, risk management and control, 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, 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.



Temporary Accommodation – Final Report – September 2024



**Audit Objective** To review the effectiveness of controls and processes which allow the council to remain compliant with legislation and deliver value for money to taxpayers.

**Executive Summary**

	<b>Assurance Opinion</b>		<b>Management Actions</b>		<b>Organisational Risk Assessment</b>	Medium
	The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.		<b>Priority 1</b>	1	Our audit work includes areas that we consider have a medium organisational risk and potential impact.	
			<b>Priority 2</b>	5		
			<b>Priority 3</b>	11	The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.	
			<b>Total</b>	<b>17</b>		

**Key Conclusions**

	We tested 25 properties for H&S certification, 14 were found to have not undergone comprehensive asbestos surveys, or the existing records have not been appropriately maintained or updated. This situation presents a high risk potentially compromising the well-being and safety of both occupants and contractors. The Assets and Regeneration team should ensure asbestos surveys have been completed for all housing properties and any records which have not been updated will be rectified. A centralised tracking system will also be created to ensure consistent and timely completion in the future.
	An Assets Register for properties is not present to comprehensively track and monitor organisational assets and action is needed to finalise essential policies, in order to adapt to changing regulations and industry standards. The implementation of these documents will enable the service to improve their operational framework.
	The council currently does not set the rents for temporary accommodation at the level recommended by guidance. By setting this, it would mean the council are more likely to obtain the money owed and able to move the clients out of temporary accommodation quicker by preventing rent arrears building up for the client.
	There is a significant lack of staff training in using the internal software system, leading to inefficiencies, errors, and reduced proficiency. The information in the system lacks completeness and there are areas that show incorrect information which needs to be cleansed. Through designing and executing a thorough staff training program for effective internal software system use, proficiency and accuracy of processes and data will improve.

**Audit Scope**

The scope of the audit considered the following areas:

- Supply of temporary accommodation,
- The voids process and the property Health & Safety compliance
- Budgeting and forecasting
- Rent collection process
- Monitoring performance and KPI's
- Placing residents in temporary accommodation including requirements and monitoring
- Leaving temporary accommodation and temporary to permanent housing

**Next Steps**

At the commencement of the audit, the service did identify many issues prior to our review. The "Findings & Action Plan" includes details of the management actions, which once completed, will enhance the control environment.

Children's Services Social Care Complaints – Final Report – October 2024



**Audit Objective**

To provide assurance that complaints are handled efficiently, effectively, and in accordance with relevant regulations and guidelines, ensuring any escalation is appropriately managed.

**Executive Summary**

	<b>Assurance Opinion</b>	<b>Management Actions</b>	<b>Organisational Risk Assessment</b>										
	The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.	<table border="1"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>5</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> <tr> <td><b>Total</b></td> <td><b>8</b></td> </tr> </table>	Priority 1	0	Priority 2	5	Priority 3	3	<b>Total</b>	<b>8</b>	<table border="1"> <tr> <td colspan="2"><b>Medium</b></td> </tr> </table>	<b>Medium</b>	
	Priority 1	0											
	Priority 2	5											
	Priority 3	3											
<b>Total</b>	<b>8</b>												
<b>Medium</b>													
		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.											

**Key Conclusions**

	Through sample testing of complaints, we identified limited communication from the Council during the life of the complaint, with complainants sending chaser emails for updates. Establishing a clear communication link with complainants will aid in their reassurance and reduce the number of incoming emails.	<p><b>Audit Scope</b></p> <p>The scope of the audit considered the following areas:</p> <ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• Process for investigating complaints, including a focus on complainant experience and impact on escalations from stage 1 to stage 2;</li> <li>• The complaints decision making process;</li> <li>• Action monitoring;</li> <li>• Complaints outcomes;</li> <li>• Performance and learning and how this is applied to practice; and</li> <li>• How complaints data is monitored.</li> </ul>
	We tested a sample of 11 complaints to ensure they followed the complaints process in full. We identified seven of those complaints were not given a response within the established timescale. The cause of the response delays was due to the investigating managers failure to complete investigations within timescales, which therefore impacted on the ability of the Complaints team to respond to the complainant. Ensuring enhanced oversight of investigating managers will ensure deviations from expected timelines are justified.	
	Whilst we are satisfied that Stage 2 and higher action plans are appropriately tracked and evidence collected for closure within the one-month period in most cases, this does not occur at Stage 1 or informal complaints. Implementing actions will lead to the mitigation of a further complaint.	
	We conducted sample testing of external investigating officers and independent persons to confirm appropriate disclosures were obtained. The data Dorset Council holds for these individuals was out of date. Periodic checks of this will enable Dorset Council to ensure an up-to-date record is maintained.	
	Dorset Council has a suite of up-to-date policies and procedures which clearly establish the complaints process for Children's Services Social Care Complaints. All staff within the Complaints team are fully aware of the process and aid in the implementation of this throughout the service. Though the general complaints process is embedded, further efficiencies are required in the service overall to ensure an effective, joint approach. Benchmarking against three Local Authorities found that Dorset Council had the lowest amount of Stage 2 investigations, and in comparison, suggests proactive intervention at Stage One.	

**Next Steps**

The 'Findings & Action Plan includes details of the management actions, which once completed, will enhance the control environment. Benchmarking results against Local Authorities, have been shared providing further rationale for the review.

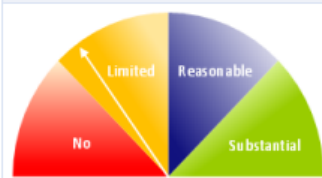
Effectiveness of Business Continuity Plans – Final Report - November 2024



Audit Objective

To assess the effectiveness of Dorset Council's Business Continuity Plans to ensure that they are adequate to maintain critical operations, systems, and services during an incident.

Executive Summary



Assurance Opinion

The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.

Management Actions







Priority 1	1
Priority 2	13
Priority 3	1
<b>Total</b>	<b>15</b>

Organisational Risk Assessment

**High**

Our audit work includes areas that we consider have a high organisational risk and potential significant impact. Both senior management and the Audit Committee should consider key audit conclusions and resulting outcomes.

Key Conclusions

-  Regular risk assessments are not systematically conducted to inform Business Continuity Planning (BCP). The process requires Business Impact Analyses (BIAs) and risk assessments to be developed independently by each service. This approach lacks a unified, council-wide strategy for integrating risk assessments into BCPs.
-  There has been no regular council-wide testing, exercising, monitoring, or review of the Action Cards/ Business Continuity Plans (BCPs). This lack of regular evaluation means that the effectiveness and reliability of these plans remain unverified, potentially leaving the council vulnerable during disruptions. Additionally, the ICT Service does not have a formal BCP in place, although this is currently being worked on. This absence is concerning given the critical role ICT plays in supporting and maintaining essential business functions and operations.
-  Business Impact Analyses (BIAs) and action cards are not regularly updated or tested. Out of the 283 BIAs, only 41 have documented testing dates. BIA forms the cornerstone of an effective Business Continuity Plan, ensuring that the council can continue to operate and recover swiftly in the face of unexpected events.
-  The Business Continuity Framework is overdue a review and update. Currently, roles and responsibilities within the framework are not clearly defined, and resources allocated for Business Continuity Planning are limited. Additionally, Recovery Time Objectives (RTOs) are not aligned between the Business Continuity Framework, Business Impact Analysis (BIAs), and ICT systems.
-  Lessons learned from past incidents have not been implemented, which can lead to recurring issues. The Business Continuity Framework is missing a current list of critical systems, as the list is outdated and contains systems no longer in use. Furthermore, the absence of robust regular awareness campaigns can result in gaps in knowledge and preparedness among stakeholders.
-  Clarity is needed regarding which standards and/or frameworks are being followed in the management of Business Continuity. Currently, there is ambiguity about the specific guidelines or best practices that should be adhered to, to ensure a unified and standardised approach.

Audit Scope

The Service Manager for Assurance asked SWAP to undertake this audit after an incident in May 2024 where Dorset Council experienced an issue with Microsoft licencing that required Business Continuity Plans (BCPs) to be invoked. A post event briefing identified some issues around service BCPs.

We assessed if there is strategic overview and appropriate service buy-in and identification of the council's critical services. We evaluated whether services have reviewed and updated their plans to explain how they would respond to cyber-attacks and data loss risks.

We assessed if services know how to locate their action plans, whether they have tested their plans and assessed if they are fit for purpose, and if they understand their dependencies on critical systems and suppliers.

Other Relevant Information

The actions which are detailed in the Findings & Action Plan will be followed up at the appropriate time. We will report this high corporate risk to the Audit & Governance Committee in January 2025.



**Estates Income and Debt Management Follow Up – Final Report – November 2024**



**Follow Up Audit Objective**

To provide assurance that agreed actions due for completion by the end of September 2024 identified within the 2024/25 Limited opinion audit of Estates Income and Debt Management report have been implemented.

Follow Up Progress Summary					
	Complete	In Progress	Not Started	Not due	Summary
Priority 1	0	0	0	0	0
Priority 2	1	1	0	2	4
Priority 3	3	0	0	0	3
<b>Total</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>7</b>

**Follow Up Assessment**

The original audit was completed in July 2024 and received a Limited assurance opinion but following the issue of the final report, the service suggested that there was more evidence that wasn't provided at the time which may have altered our assurance rating. This follow-up audit has concluded that the original Limited assurance opinion stands, however four of the actions are now complete with one in progress. Key findings have been summarised below.

**Follow Up Scope**

Additional testing has been performed in relation to one priority two action regarding the process for chasing rent arrears. Evidence obtained has supported in the implementation and closure of four actions.

**Key Findings**



The original audit concluded that there was limited evidence to show rent arrears are followed-up. The review found that whilst the team have monthly meetings to update the 'Top 75 Debtors' spreadsheet to track progress on current positions of outstanding balances, the commentary noted is not available on a central system, such as DES, to enable all relevant officer's sufficient oversight. The specific information to corroborate the notes are held on individual surveyor files/emails and has proved difficult to source during the follow-up. However, this process is now being transferred to the Finance function, focusing on the collection of rents/invoicing. This new process will incorporate changes to the central recording of rent arrears activities/conversations with tenants.

There has been work completed on updating and making available relevant policies, processes and procedures. The team now also has individual key performance indicators (KPI's) which are aligned to the service objectives and reviewed during appraisals. As a result of an exercise completed by Hartnell Taylor Cook (HTC), the updating of lease information is now completed, embedded into Civica and used by surveyors. For information sharing with Business Rates, a new process has been agreed with Legal to notify of changes with lease events.

**Further Follow Up Required**

Further details of actions can be found in the Agreed Actions report and data analysis on Estates debt has also been provided. A summary of the key findings from our review will be presented to the Audit and Governance Committee in January 2025. Going forward, we will follow up the remaining actions through our normal follow up process and close the actions once the relevant work has been completed.