



Somerset Council

Internal Audit Annual Opinion Report 2023/24

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Unrestricted

Internal Audit Annual Opinion – 2023/24: ‘At a Glance’

Annual Opinion



The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.

- Significant number of medium and/or critical risk rated weaknesses identified in individual audit engagements.
- Isolated critical and/or high risk rated weaknesses identified that are not systemic.
- Internal audit has concerns about managements approach to resolving identified issues.

The Headlines



14 Limited Assurance opinions and 1 No Assurance Opinion in the period (final report only)
3 High Corporate Impact - Children Looked After – Placement contracts and procurement; Financial Controls post 1 April; Health & Safety Culture.



Progress against the 2023/24 Plan

- 78 planned reviews and support activities completed
- 2 reviews at draft/review stage
- 2 reviews in progress/on-going
- 3 Grants Not Started (note information is not currently ready/available for us to start this work. To include in 24-25)



Follow-ups in the period

6 follow-ups have been finalised during 2023-24 to assess reduce risk exposure in previous areas of control weakness.



Monitoring of agreed management actions

	Priority 1	Priority 2	Priority 3	Total
Number of Recommendations Raised in 2023-24	12	94	43	149
Number of Recommendations Completed (All)	8	59	10	77
Outstanding Recommendations beginning 2024-25 (not due and overdue)	21	100	27	148
Number completed within target date	0	5	2	7
Average length of time overdue before implementation	305 days	310 days	237 days	

Internal Audit Assurance Opinions 2023/24*

	YTD
Substantial	0
Reasonable	7
Limited	14
No Assurance	1
Advisory	27
Follow Up	6
Grant Certification	23
Total	78

Internal Audit Agreed Actions 2023/24*

	YTD
Priority 1	12
Priority 2	94
Priority 3	44
Total	149

*Final reports only

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.



Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should:

- Include an opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment, including an evaluation of the following:
 - the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
 - whether the information technology governance of the organisation supports the organisation's strategies and objectives;
 - the effectiveness of risk management processes; and
 - the potential for the occurrence of fraud and how the organisation manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with Internal Audit Standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.

Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Audit and Governance Committee and senior management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line – functions that own and manage risk.
- the second line – functions that oversee or specialise in risk management, compliance.
- the third line – functions that provide independent assurance.

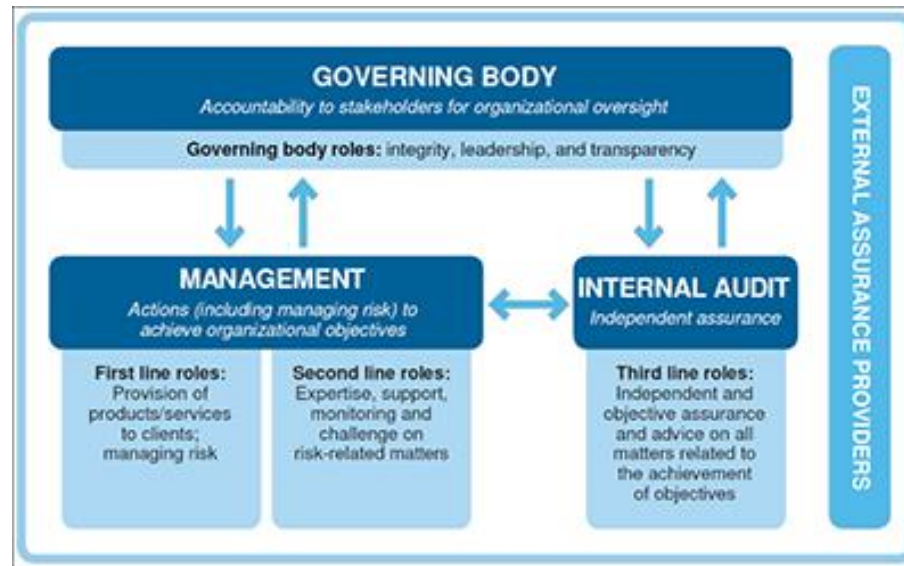


Background

The Internal Audit service for Somerset Council is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of the Internal Audit team for the 2023/24 year.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.



Annual Opinion

The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.

- Significant number of medium and/or critical risk rated weaknesses identified in individual audit engagements.
- Isolated critical and/or high risk rated weaknesses identified that are not systemic.
- Internal audit has concerns about managements approach to resolving identified issues.

Internal Audit has not reviewed all risks and assurances relating to Somerset Council during 2023/24 and cannot provide absolute assurance on the internal control environment. Senior management and members are ultimately responsible for ensuring an effective system of internal control. In terms of breadth of coverage, audit work has been performed across the Council's key services and in relation to its strategic risks. A summary of audit work carried out against the Council's strategic risk areas is provided in the next section on page 5. Audit coverage is considered adequate to provide an overall opinion and the list of audits that have feed into this opinion are provided in Appendix A.

The Annual Opinion is based on information obtained from multiple engagements (Appendix A) and sources, the results of which, when viewed together, provide an understanding of the organisation's governance arrangements, risk management processes and internal control environment and facilitate an assessment of overall adequacy and effectiveness. The Annual Opinion is a **'balanced reflection'** across the year and not a snapshot in time. In forming this opinion, the following sources of information have been used:

- Completed audits which evaluate risk exposures relating to the organisation's governance, operations and information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations.
- Observations from consultancy/advisory support.
- Follow up of previous audit activity, including agreed actions.
- Grant certification work.
- Assurances from other key sources and providers, including third parties, regulator reports etc.

The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.



Annual Opinion Continued

Whilst we have given limited assurance, it is worth putting this into the wider context and challenges that Somerset Council has faced during 2023-24. As a newly formed authority on the 1 April 2023 Somerset Council had the challenge of bringing the five legacy authorities together as well as the additional challenge of implementing a new financial system. As a newly formed organisation with a new core financial system, Somerset Council has not benefited from established core routine financial controls and governance during this period. However, due to the financial emergency declaration, Somerset Council was proactive in taking steps to strengthen spend controls through the creation of the spend control boards and the governance around spend decisions. This is in keeping with the general view through our work that controls and governance were steadily strengthening during 2023-24, although not at a pace for the balance of our work to provide reasonable assurance for the 2023-24 financial year.

Looking at common themes across our audits would suggest there is work to do with shaping the organisation culture, particularly given the period of uncertainty that staff have been operating under coupled with bringing five different legacy cultures together. A number of our reviews have also shown there will be work to do around records management and data governance too. Whilst some services are on top of their data and information and how it is used, there are areas where improvement is needed.

With the current financial pressures and the need to re-shape Somerset Council into a more leaner organisation it will be a challenge not to lose too many experienced members of staff and to ensure efficient and effective governance, risk and controls are in place to manage risks effectively across the authority. With the financial challenges, shrinking workforce and loss of knowledge, together with the need to bring legacy services together at pace, there are significant challenges ahead for Somerset Council.

Internal audit coverage should be aligned to key corporate priorities and key corporate risks.

Using the Chartered Institute of Internal Auditors Risk Management Maturity guide we've assessed Somerset Council as between risk aware/risk defined meaning we can place reliance on risk information where appropriate.



Audit Coverage by Corporate Risk

Table 1: Audit Coverage by Strategic Risk

The table below maps audit work to Somerset Council's key strategic risks to provide assurance of coverage. The Somerset Council Risk Register is a live document and subject to change throughout the year as the risk environment that Somerset Council operates in changes. Therefore, the table below reflects a summary of coverage against shifting priorities throughout the year.

Strategic Risk	Substantial	Reasonable	Limited	No	Advisory	Grant	Follow Up	Total
SC ORG0009 – Safeguarding Children			1	1		3	2	7
SC ORG0053 – Organisation Resilience					2			2
SC ORG0056 – Supply Chain (Closed Dec 23)								0
SC ORG0057 – Financial Stability / sustainable MTFP		4	6	1	3			14
SC ORG0060 – Failure of ASC to meet statutory obligations			2		1		3	6
SC ORG0061 – Climate Change						2		2
SC ORG0062 – Health and Safety Management, Strategic Planning and direction is not embedded					1			1
SC ORG0063 – Commercial Investments					1			1
SC ORG0064 – General Housing: Failure to maintain affordable housing			3			1		4
SC ORG0065 – Inability to recruit/retain staff								0
SC ORG0066 – Financial instability in VCFSE Sector								0
SC ORG0068 – Increase in fraudulent activity		2	4		14	4		24
SC ORG0070 – Budget overspend in current year		3	5		5			13
SC ORG0071 – ASC Transformation								0
SC ORG0075 – LCN – failure to deliver key commitments								0

The focus of audit work and scope during 2023-24 was around financial stability (ORG0057), budget overspend (ORG0070) and increase in fraud risk (ORG0068).

Internal Audit Annual Opinion 2023/24

Definitions of Corporate Risk/Impact

High Risk
Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Medium Risk
Issues which should be addressed by management in their areas of responsibility.

Low Risk
Issues of a minor nature or best practice where some improvement can be made.



Significant Corporate Risks/impacts

Our audits examine the controls that are in place to manage the risks that are related to the area being audited. We assess the risk/impact at a 'Corporate' level once we have tested the controls in place. For those audits which have reached final report stage through the year, we have assessed the following risks as 'High'.

Audit	Report Date	Summary
Health & Safety Culture	January 2024	This review was a high-level view of H&S governance at the newly formed Somerset Council, with a focus on understanding the culture towards H&S within the new Authority. Ultimately the audit found the council does not have an embedded health and safety culture which in turn impacts on the Council's ability to achieve its health and safety objectives. Health & Safety is a strategic risk (ORG0062) and currently assessed as 'High' on the Council's risk register.
Financial Controls post 1 April.	October 2023	When the Council was formed in April 2023 a new financial management system, Microsoft Dynamics, was launched to replace the previous legacy systems. At the time of the work it was found the Council's key financial systems were not adequate to support the Council in ensuring proper effective control over the management of income, debts and budgets impacting the Council's financial position. Further detailed work was undertaken in this area coverings, as part of the financial focus work on routine financial management covering, Creditors, Debt Management, Main Accounting, Financial Control Budget Reporting, Financial Control Budget Planning & Assumptions, MSD System Access Controls. Summary of more recent assurance outcomes against these areas can be seen in Appendix A.
Children Looked After – Placement contracts and procurement	November 2023	This review was to provide assurance that the council has robust procurement and financial management controls for Children Looked After (CLA) and care leaver placements. Our review identified four areas where improvements could be made to help ensure that Council policies are being abided by. The CLA area was assessed as a 'high impact risk' to the organisation due to the value of the overall spend and the increasing costs resulting in an overspent budget in 22/23 and at the time (September 23) a predicted overspend of £8.8m for external placements for the 2023- 24 budget.

At the conclusion of an audit assignment each review is awarded an Audit Assurance Opinion:

- **Substantial** - A sound system of governance, risk management and control exists.
- **Reasonable** - Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.
- **Limited** - Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives.
- **None** - The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives.

SWAP Performance - Summary of Audit Actions by Priority



Summary of Audit Work

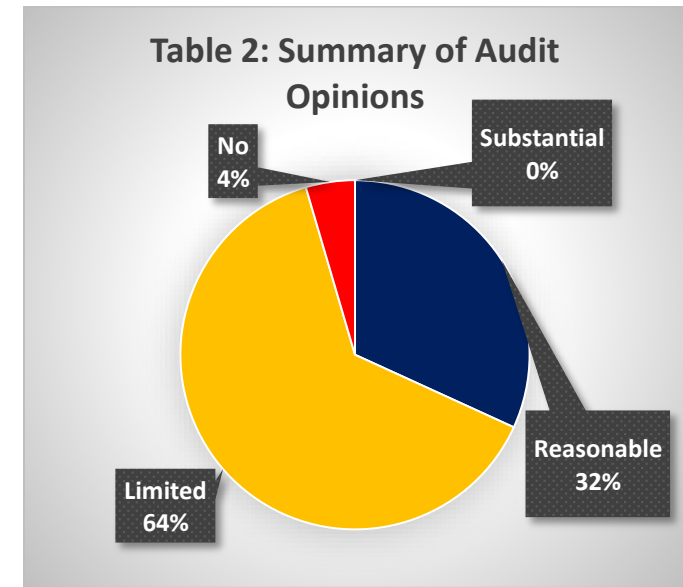
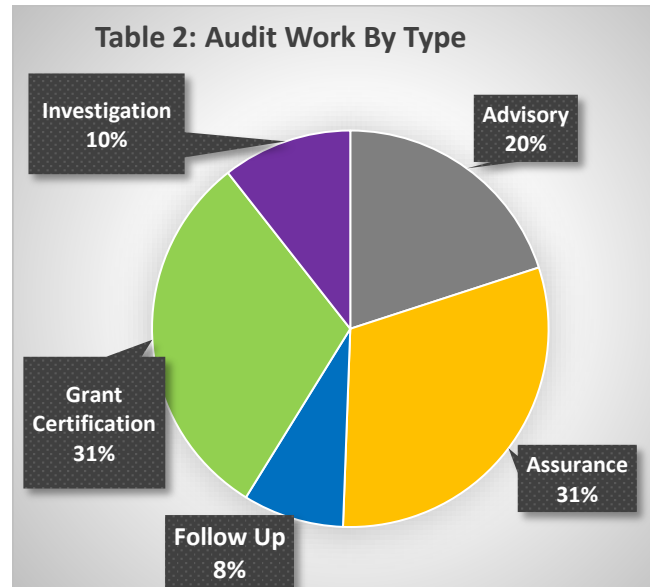


Table 2: This summarises the breakdown of audit work by type. As the organisation moves to a more stable footing we would expect the level of advisory work to decrease. As has been noted over the last 3 to 4 years, there has been an increase in the number of grants that require audit sign off.

Table 3: Taking out the grant and advisory work highlights that the majority of opinion based work has returned a 'Limited' opinion meaning there are significant gaps, weaknesses, or instances of non-compliance with policies, procedures and/or legislation.

Summary of Internal Audit Work 2023/24

We rank our actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of major concern requiring immediate corrective action.

Follow up work confirms the responsive nature of management in implementing agreed actions to mitigate exposure to areas of risk.

We only seek evidence for action taken relating to No and Limited Opinion audits. All other agreed actions are subject to management self-assessment as complete.



Management Actions & Follow Up Audits

After each audit, the final report will include an agreed action plan whereby management state the action they will take to address audit issues raised and by when. Agreed actions are prioritised from 1 to 3, with priority 1 highlighting more emphasis on the urgency. Agreed actions are assessed for importance against the area being audited.

Summary of all recommendations 2023-24

	Priority 1	Priority 2	Priority 3	Total
Number of Recommendations Raised in 2023-24	12	94	43	149
Number of Recommendations Completed (All)	8	59	10	77
Outstanding Recommendations beginning 2024-25 (not due and overdue)	21	100	27	148
Number completed within target date	0	5	2	7
Average length of time overdue before implementation	305 days	310 days	237 days	

Audit recommendations are not being completed as expediently as they should. Agreed target dates are set with management. Due to the level of change at Somerset Council internal audit recommendations are but one of a number of competing priorities. To aid oversight of recommendations we will look at the feasibility of adding them to the Somerset Council performance management system, Ideagen, during 2024-25.

Summary of Internal Audit Work 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.



Value Added

Throughout the year, SWAP strives to add value wherever possible going beyond the standard expectations of an assurance audit. The following are examples of this:

Additional Activities

- Audit Committee Annual Report – Support with the completion of the audit committee Annual Report 2023-24.
- Audit Committee Skills Survey – Pulling together and administering the audit committee skills survey in line with the CIPFA framework.
- Audit Committee Effectiveness Analysis against the CIPFA framework.
- Audit Committee Compliance to CIPFA 2022 Audit Committee Position Statement.
- Support in the advertisement and recruitment of coopted independent audit committee member.

Fraud & Whistleblowing Related

- In response to a request from the Council we have been developing our capacity to investigate revenue and benefit fraud referrals. There were nine referrals received during 2023-24 with 1 requiring investigating following background and intelligence checks.
- SWAP provides the independent reporting line (phone and email) for raising whistleblowing concerns. 20 concerns received during 2023-24 of which 12 were referred back to services and 8 investigated.
- SWAP's Counter Fraud team issues alerts and newsletters to key officers in the Council.

Other

We implemented a new audit management system, AuditBoard during the year. This has provided access to recommendation tracking information, final audit reports and audit committee guidance information. Further audit plan information will be rolled out during 2024-25.

Summary of Internal Audit Work 2023/24

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).



SWAP Performance

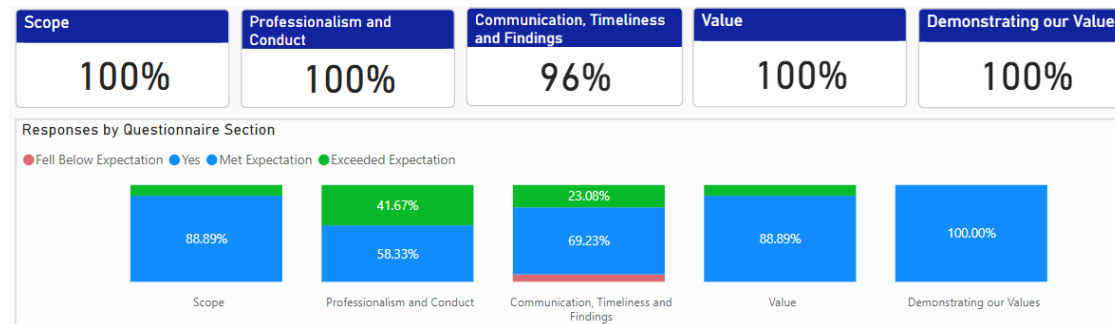
SWAP’s performance is subject to regular monitoring and review by both the SWAP Board of Directors and the Owners Board. 2023-24 has been a challenging year with internal audit competing for limited officer time and competing priorities due to the significant disruption that Local Government Reorganisation has brought.

Performance Target	Performance
Original Audit Plan	70 Audit Projects
Final Outturn	85 Audit Projects
Final Draft Discussion vs Original Plan 90%	100%
Final Draft Discussion vs Revised Plan 90%	92%
Client Feedback Target 95%	99%

Client Feedback

After each audit engagement a feedback questionnaire is issued for the officers to provide feedback on the service they have received. The survey focuses on 5 key theme areas, summarised below. The overall feedback score is 99% with a response rate of 36%.

Feedback results 2023-24



Summary of Internal Audit Work 2023/24

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).



SWAP Performance Continued

Compliance to the public Sector Internal Audit Standards

SWAP work is completed to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Under these standards we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. SWAP was assessed in February 2020 and this confirmed that we are in conformance to PSIAS. Our on-going annual self-assessment shows continued conformance. SWAP is currently undertaking the self-assessment with an external consultant in preparation for our external assessment during 2024-25.

Attribute Standard 1300 of the IPPF requires Heads of Internal Audit to develop and maintain a Quality Assurance and Improvement Programme (QA&IP). Standard 1310 continues this dual aspect by stating that the programme must include both internal and external assessments. The current QA&IP is under review with the external consultant in preparation for our External Assessment in 2024-25. Outcomes from the external assessment in 2024-25 and the QA&IP will be shared with the Audit Committee.

Table 1: Internal Audit Plan – Advisory and Assurance Work

Strategic Risk Link OR Directorate	Audit Type	Audit Name	Directorate	Opinion	Impact to Organisation	No of Rec	1 = Major	↔	3 = Medium
							Recommendation		
							1	2	3
Complete									
SC ORG0060	Assurance	Adults – Eclipse Benefits Realisation (22-23)	Adult Services	Limited	Low	2	-	2	-
SC ORG0068	Advisory	Cifas Support – Blue Badges 2022/23	Adult Services	Advisory	N/A	-	-	-	-
SC ORG0060	Investigation	Complaints Process Adults	Adults Services	Advisory	N/A	-	-	-	-
SC ORG0057 SC ORG0070 SC ORG0060	Assurance	Direct Payments - (Adults)	Adult Services	Limited	Medium	7	-	3	4
SC ORG0068	Assurance	CIFAS – Blue Badges 23-24	Adult Services	Advisory	N/A	-	-	-	-
SC ORG0070 SC ORG0068	Advisory	Children’s Invoicing CLA and SEND	Children’s Services	Advisory	N/A	-	-	-	-
-	Assurance	Schools Financial Value Standard (SFVS) Theme Report (22-23)	Children's Services	Limited	Medium	7	1	5	1
-	Assurance	Norton Sub-Hamdon Primary School	Children's Services	Limited	Low	11	-	2	9
SC ORG0057 SC ORG0009 SC ORG0070	Assurance	CLA Placements Contract and Procurement	Children's Services	Limited	High	4	1	3	-
-	Assurance	DfE Post 16 Education Sub-Contracting	Children's Services	Reasonable	Low	4	-	4	-
SC ORG0057 SC ORG0070 Directorate Risk	Advisory	Schools Balances	Children's Services	Advisory	N/A	8	-	5	3
SC ORG0068	Investigation	New: School Payroll	Children's Services	Advisory	N/A	-	-	-	-
SC ORG0057 SC ORG0009	Assurance	Value for Money: PRU and Behaviour Partnerships	Children's Services	No	Medium	4	3	1	0

Summary of Internal Audit Work 2023/24

Appendix A

Strategic Risk Link OR Directorate	Audit Type	Audit Name	Directorate	Opinion	Impact to Organisation	No of Rec	1 = Major	↔	3 = Medium
							Recommendation		
							1	2	3
Directorate Risk	Advisory	LEP Closedown & Transition	Climate and Place	Advisory	N/A	-	-	-	-
	Assurance	Multiplier Fund	Climate and Place	Reasonable	Low	3	-	2	1
-	Advisory	Public Health – Reaching Areas of Deprivation – Smoking (22-23)	Public Health	Advisory	N/A	-	-	-	-
-	Assurance	Registrars	Communities	Reasonable	Medium	3	-	1	2
SC ORG0057 SC ORG0070	Assurance	Theatres Governance & Financial Controls	Communities	Reasonable	Medium	3	-	2	1
SC ORG0064 Directorate Risk	Assurance	Homes England Audit Scheme – Checklist Compliance	Communities	Limited	Medium	3	-	2	1
-	Advisory	Taunton Town Council - Transfer of Assets	Communities	Advisory	Medium	-	-	-	-
-	Advisory	Brewhouse Theatre Support	Communities	Limited	Medium	2	-	2	-
SC ORG0068	Investigation	Housing Tenancy Fraud 1	Communities	Advisory	N/A	-	-	-	-
SC ORG0068	Investigation	Housing Tenancy Fraud 2	Communities	Advisory	N/A	-	-	-	-
SC ORG0064 Directorate Risk	Assurance	Housing Landlord Health & Safety compliance– Fire Safety	Communities	Limited	Medium	4	-	3	1
SC ORG0068	Investigation	Housing 1	Communities	Advisory	N/A	5	-	3	2
Directorate Risk	Advisory	Mortuary Capacity	Communities	Advisory	N/A	-	-	-	-
Directorate Risk	Advisory	Octagon Theatre Project Support	Communities	Advisory	N/A	-	-	-	-
SC ORG0064 Directorate Risk	Assurance	Housing Landlord health and safety compliance – Damp and Mould	Communities	Limited	Medium	6	-	2	4
SC ORG0068	Investigation	Housing 2	Communities	Advisory	N/A	-	-	-	-

Summary of Internal Audit Work 2023/24

Appendix A

Strategic Risk Link OR Directorate	Audit Type	Audit Name	Directorate	Opinion	Impact to Organisation	No of Rec	1 = Major	↔	3 = Medium
							Recommendation		
							1	2	3
SC ORG0057 SC ORG0068 SC ORG0070	Assurance	Financial Controls Assessment post 1 April 2023	Resources and Corporate Services	Limited	High	-	-	-	-
SC ORG0053	Advisory	IT Programme Management	Resources and Corporate Services	Advisory	Medium	4	-	1	3
SC ORG0068	Investigation	Procurement Card Investigation	Resources and Corporate Services	Advisory	N/A	4	-	2	2
SC ORG0068 SC ORG0070	Advisory	CTAX/NDR/HB System Parameter Testing	Resources and Corporate Services	Advisory	N/A	-	-	-	-
SC ORG0068	Advisory	Fraud Risk Assessment	Resources and Corporate Services	Advisory	N/A	-	-	-	-
SC ORG0068	Investigation	Fraud Referrals, including Revenues & Benefits	Resources and Corporate Services	Advisory	N/A	-	-	-	-
SC ORG0057 SC ORG0063 SC ORG0070	Advisory	Commercial Investments	Resources and Corporate Services	Advisory	N/A	-	-	-	-
SC ORG0068	Assurance	Review of Whistleblowing Policy and awareness/outcomes	Resources and Corporate Services	Limited	Medium	5	-	4	1
SC ORG0068	Investigation	New: Debtor Invoice	Resources and Corporate Services	Advisory	N/A	-	-	-	-
SC ORG0053 Directorate Risk	Assurance	ICT Cyber Assessment Framework (CAF) - Readiness Gap Analysis	Resources and Corporate Services	Advisory	N/A	6	-	6	-
SC ORG0057 SC ORG0068 SC ORG0070	Assurance	Main Accounting	Resources and Corporate Services	Limited	Medium	9	1	8	0
SC ORG0057 SC ORG0068 SC ORG0070	Assurance	Debt Management	Resources and Corporate Services & Cross Cutting All	Limited	High	7	2	3	2
SC ORG0057 SC ORG0068	Assurance	Creditors	Resources and Corporate Services & Cross Cutting All	Reasonable	Medium	7	0	4	3

Summary of Internal Audit Work 2023/24

Appendix A

Strategic Risk Link OR Directorate	Audit Type	Audit Name	Directorate	Opinion	Impact to Organisation	No of Rec	1 = Major	↔	3 = Medium
							Recommendation		
							1	2	3
SC ORG0057 SC ORG0068 SC ORG0070	Assurance	Financial Control and Reporting (budget monitoring)	Resources and Corporate Services & Cross Cutting All	Reasonable	High	6	2	3	1
SC ORG0057 SC ORG0070	Assurance	Budget Planning and Assumptions 24/25	Resources and Corporate Services & Cross Cutting All	Reasonable	High	5	0	5	0
SC ORG0057 SC ORG0070	Advisory	Benefits Realisation Framework	Strategy, Performance and Localities	Advisory	Low	1	-	1	-
SC ORG0068	Advisory	Payroll – Staff Transfers (22-23)	Strategy, Performance and Localities	Advisory	N/A	-	-	-	-
SC ORG0062	Advisory	Health and Safety Governance (Culture)	Strategy, Performance and Localities	Advisory	High	5	-	5	-
-	Advisory	Recommendation Tracking	Cross Cutting	Advisory	N/A	-	-	-	-
SC ORG0057 SC ORG0063	Assurance	Commercial Rent Income	Resources and Corporate Services	Limited	Medium	7	2	4	1
Draft									
SC ORG0009	Assurance	Educational Health Care Plans (EHCP)	Children's Services						
Field Work Complete/Review									
SC ORG0057 SC ORG0068 SC ORG0070	Assurance	Microsoft Dynamics Access Controls	Resources and Corporate Services						
In Progress									
SC ORG0060	Assurance	DFG/Better Care Fund	Adult Services						

Table 2: Grant Sign Off Work

Local authorities can receive grant money from central government or other grant award bodies for specific purposes. Some grants awarded to local authorities require the Head of Internal Audit to sign off the grant to confirm that the grant money has been spent in accordance with the terms and conditions for which the grant was awarded. This also includes a deadline for completing the audit.

Strategic Risk Link OR Directorate	Audit Type	Audit Name	Directorate	Opinion	No of Rec	1 =	↔	3 =
						Major		Medium
						Recommendation		
Complete								
SC ORG0009	Grant Certification	Supporting Families Claim 1 22-23	Children's Services	Certified	-	-	-	-
SC ORG0009	Grant Certification	Supporting Families Quarter 2 Claim (Sep)	Children's Services	Certified	4	-	3	1
SC ORG0009	Grant Certification	Supporting Families Quarter 3 Claim (Dec)	Children's Services	Certified	1	-	1	-
	Grant Certification	LEP Growth Deal - Yeovil Western Corridor – 22/23	Climate and Place	Certified	-	-	-	-
	Grant Certification	LEP Growth Deal – Toneway – 22/23	Climate and Place	Certified	-	-	-	-
	Grant Certification	LEP Get Building Fund – Dunball – Junction 23 22/23	Climate and Place	Certified	-	-	-	-
	Grant Certification	LEP – Somerset Rivers Authority 22/23	Climate and Place	Certified	-	-	-	-
	Grant Certification	LEP Growth Deal - Mobile Boost 22/23	Climate and Place	Certified	-	-	-	-
	Grant Certification	LEP Get Building Fund – Junction 25 – 22/23	Climate and Place	Certified	-	-	-	-
	Grant Certification	LEP Get Building Fund – digital innovation centre 22/23	Climate and Place	Certified	-	-	-	-
	Grant Certification	LEP Get Building Fund – iaero fit out 22/23	Climate and Place	Certified	-	-	-	-
	Grant Certification	LEP Get Building Fund – Trenchard Way – 22/23	Climate and Place	Certified	-	-	-	-

Summary of Internal Audit Work 2023/24

Appendix A

Strategic Risk Link OR Directorate	Audit Type	Audit Name	Directorate	Opinion	No of Rec	1 =	↔	3 =
						Major		Medium
						Recommendation		
1	2	3						
SC ORG0061	Grant Certification	SDC Home Upgrade Grant (HUG) 2	Climate and Place	Certified	-	-	-	-
	Grant Certification	Wells Enterprise Centre	Climate and Place	Certified	-	-	-	-
	Grant Certification	Wiveliscombe Enterprise Centre	Climate and Place	Certified	-	-	-	-
	Grant Certification	Bruton Enterprise Centre	Climate and Place	Certified	-	-	-	-
SC ORG0061	Grant Certification	SDC Home Upgrade Grant (HUG) 1	Climate and Place	Certified	-	-	-	-
SC ORG0068 Directorate Risk	Grant Certification	LEP - Growth Deal - BDUK	Climate and Place	Certified	-	-	-	-
SC ORG0068	Grant Certification	LTA Bus Recovery (Revenue) Grant April-Jun22	Climate and Place	Certified	-	-	-	-
SC ORG0068	Grant Certification	LA Bus Subsidy (Revenue Grant 2022-23)	Climate and Place	Certified	-	-	-	-
	Grant Certification	NEW: Food Waste Collection Grant	Climate and Place	Certified	-	-	-	-
SC ORG0064	Grant Certification	Homes England Capital Funding Grant	Communities	Certified	-	-	-	-
SC ORG0068	Grant Certification	Covid Outbreak Management Fund x4 (SCC, SWT, MDC, SDC)	Public Health	Certified	-	-	-	-
Not started								
SC ORG0068	Grant Certification	Covid Outbreak Management Fund SDC	Public Health		Information not provided for work to commence.			
	Grant Certification	Emergency Active Travel Fund	Climate and Place					
	Grant Certification	Local Transport Capital Block Funding	Climate and Place					

Table 3: Follow up Audits.

Where an audit returns an opinion of No or Limited Assurance, we will schedule a follow up audit to confirm recommendations have been implemented and risks reduced in that area. When we have received confirmation from management that recommendations have been completed, we will commence the follow up work. Where we believe a full review is required again, a new full audit will be scheduled in the audit plan instead. The table below shows the follow up audit position. Recommendations below shows the number assessed as not fully completed after our follow up review.

Strategic Risk Link OR Directorate	Audit Type	Audit Name	Directorate	Opinion	No of Rec	1 =	↔	3 =
						Major		Medium
						Recommendation		
Complete								
SC ORG0060	Follow up	Mental Health Follow UP	Adult Services	Advisory	-	-	-	-
SC ORG0060	Follow up	Quality Assurance Follow Up	Adult Services	Advisory	-	-	-	-
SC ORG0060	Follow up	Athena Follow Up	Adult Services	Advisory	2	1	1	-
SC ORG0009	Follow up	Education Safeguarding Complaints & Concerns Follow Up	Children's Services	Advisory	1	-	1	-
Directorate Risk	Follow up	School Condition Surveys Follow Up	Children's Services	Advisory	2	1	0	1
SC ORG0009	Follow up	SEND Costed Packages Follow Up (as part of EHCP Audit)	Children's Services	Advisory	0	0	0	0
IN PROGRESS								
SC ORG0057 SC ORG0070 SC ORG0060	Follow up	Direct Payments	Adult Services					

Type of opinion	Guidance for when opinion may be provided
Substantial Assurance	<p><i>There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.</i></p> <ul style="list-style-type: none"> • No individual audit engagement classed as limited or no assurance. • Occasional medium risk rated weaknesses identified in individual audit engagements although mainly only low/efficiency weaknesses. • Internal audit has confidence in managements attitude to resolving identified issues.
Reasonable Assurance	<p><i>The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.</i></p> <ul style="list-style-type: none"> • Medium risk rated weaknesses identified in individual audit engagements. • Isolated high risk rated weaknesses identified for isolated issues. • No critical risk rated weaknesses were identified. • Internal audit is broadly satisfied with management's approach to resolving identified issues.
Limited Assurance	<p><i>The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.</i></p> <ul style="list-style-type: none"> • Significant number of medium and/or critical risk rated weaknesses identified in individual audit engagements. • Isolated critical and/or high risk rated weaknesses identified that are not systemic. • Internal audit has concerns about managements approach to resolving identified issues.
No Assurance	<p><i>A control framework is not in place to mitigate key risks. The organisation is exposed to abuse, significant error or loss and/or misappropriation. Objectives are unlikely to be met.</i></p> <ul style="list-style-type: none"> • Serious systemic control weaknesses identified through aggregation of individual audit engagements. • Significant number of critical and/or high risk rated weaknesses identified for isolated issues. • Internal audit has serious concerns about managements approach to resolving identified issues.
No Opinion	<p>Insufficient internal audit work has taken place during the period to substantiate an independent opinion. The rationale for this will be fully explained in the report.</p>