

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Chief Internal Auditor's Annual Opinion Report 2023/24
Meeting date	25 July 2024
Status	Public Report
Executive summary	<p>It is the opinion of the Chief Internal Auditor that during the 2023/24 financial year:</p> <ul style="list-style-type: none"> • arrangements were in place to ensure an adequate and effective framework of governance, risk management and control (internal control environment), and that where weaknesses were identified there was an appropriate action plan in place to address them; • the systems and internal control arrangements were effective and that agreed policies and regulations were generally complied with; • adequate arrangements were in place to deter and detect fraud; • there was an appropriate and effective risk management framework; • managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls; • the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service; • the arrangements, in respect of the Chief Internal Auditor, were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".
Recommendations	<p>It is RECOMMENDED that:</p> <p>the Audit & Governance Committee note the Chief Internal Auditor's Annual Report and Opinion on the overall adequacy of the internal control environment for BCP Council.</p>
Reason for recommendations	The Chief Internal Auditor's Annual Report and Opinion for BCP Council provides assurance on the effectiveness of the Council's control environment as required by the Public Sector Internal Audit Standards.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk</p>

Wards	Council-wide
Classification	For Information

Background

1. The Chief Internal Auditor's Annual Report and Opinion for BCP Council was produced in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS), which requires the Head of Audit & Management Assurance, in his role as Chief Internal Auditor, to report annually on:
 - the adequacy and effectiveness of the internal control environment; and on
 - conformance by the Internal Audit Section to the PSIAS.
2. The Audit & Governance Committee must consider the Council's Chief Internal Auditor's Annual Report and Opinion before its consideration of the Council's Annual Governance Statement.
3. It should be noted that the title 'Chief Internal Auditor' is interchangeable with the terms 'Head of Internal Audit', 'Chief Audit Executive' and 'Head of Audit & Management Assurance' used in this report or in other relevant publications, guidance or standards.

The Chief Internal Auditor's Consideration & Opinion Summary

4. The Chief Internal Auditor's Annual Report & Opinion 2023/24 for BCP Council is provided at Appendix A.
5. In summary it is the opinion of the Chief Internal Auditor for BCP Council that:
 - arrangements were in place to ensure an adequate and effective framework of governance, risk management and control (internal control environment) and that where weaknesses were identified there was an appropriate action plan in place to address them;
 - the systems and internal control arrangements were effective and that agreed policies and regulations were generally complied with;
 - adequate arrangements were in place to deter and detect fraud;
 - there was an appropriate and effective risk management framework;
 - managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
 - the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service;
 - the arrangements at the Council in respect of the Chief Internal Auditor were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".

Options Appraisal

6. An options appraisal is not appropriate for this report.

Summary of financial implications

7. The total actual net cost, for the 2023/24 financial year, of the Internal Audit section was £699,644; compared against the budget of £772,100, this resulted in a net underspend of £72,456 which was due to the vacancy of an Audit Manager post for part of the year, a saving in the audit management system due to development inhouse and also additional income from sources such as BCP Council companies. The costs above were inclusive of the Head of Audit & Management Assurance who managed several other teams and an Auditor who specialises in corporate fraud investigation, detection and prevention.

Summary of legal implications

8. The Public Sector Internal Audit Standards (2017), which encompass the mandatory elements of the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), require that the Council's Chief Audit Executive provides an annual report and opinion on the adequacy and effectiveness of the internal control environment to those charged with governance of the organisation.

Summary of human resources implications

9. There were 12.32 full-time equivalent (FTE) Internal Audit staff members employed across the Council during 2023/24. This compared to the revised plan (budget) which was 12.77 FTE, the variance arising as a consequence of an Audit Manager post being vacant for part of the year. This resource is inclusive of the Head of Audit & Management Assurance who manages several other teams and an Auditor who specialises in corporate fraud prevention, detection and investigation. It is the opinion of the Chief Internal Auditor that these resources were sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances outlined in this report.

Summary of sustainability impact

10. There are no direct sustainability impact implications from this report.

Summary of public health implications

11. There are no direct public health implications from this report.

Summary of equality implications

12. There are no direct equality implications from this report.

Summary of risk assessment

13. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix A – Chief Internal Auditor's Annual Report & Opinion 2023/24
Including Annexe 1, 2 and 3

Chief Internal Auditor's Annual Report & Opinion 2023/24

Introduction

- 1 This annual report is produced in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS). The PSIAS encompasses the mandatory elements of the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows: Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing. The PSIAS requires the Chief Internal Auditor to report annually on the adequacy and effectiveness of the internal control environment; this report covers the period 1 April 2023 to 31 March 2024.
- 2 The scope of the Council's internal control environment that the Chief Internal Auditor is required to provide an opinion on is set out in the Council's Assurance Framework. The opinion given by the Chief Internal Auditor assists the Audit & Governance Committee in forming their view on the Annual Governance Statement.

Chief Internal Auditor's Audit Opinion 2023/24

- 3 The establishment of adequate and effective control systems is the responsibility of management. Internal Audit reviews were conducted using risk-based scoping, planning and sampling methodology; consequently, not every Council activity, transaction or project has been reviewed in-year by Internal Audit. It therefore follows that the Chief Internal Auditor is unable to provide absolute assurance that the internal control environment is operating adequately and effectively.
- 4 Based on the work undertaken by Internal Audit during 2023/24, it is the opinion of the Chief Internal Auditor that:
 - a arrangements were in place to ensure an adequate and effective framework of governance, risk management and control (internal control environment) and that where weaknesses were identified there was an appropriate action plan in place to address them;
 - b the systems and internal control arrangements were effective and agreed policies and regulations were generally complied with;
 - c adequate arrangements were in place to deter and detect fraud;
 - d there was an appropriate and effective risk management framework;
 - e managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
 - f the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service;
 - g the arrangements in respect of the Chief Internal Auditor were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".
- 5 This opinion is a professional judgement based on the results of the Internal Audit work undertaken and reported upon during 2023/24. Whilst some internal control weaknesses and non-compliance with policies were identified during Internal Audit reviews, the context and overall materiality relative to the Council's wider control environment was a vital consideration in the overall judgement. Corrective actions have been agreed with management and this willingness to respond to and correct issues raised during audit reviews is a further key aspect in the Chief Internal Auditor giving an 'unqualified opinion'.

Basis of the Chief Internal Auditor's Opinion – A summary of work undertaken in 2023/24

Regularity Audit Work

- 6 The work of Internal Audit is designed to provide an annual opinion on the adequacy and effectiveness of the internal control environment. The work carried out in 2023/24 to provide the annual opinion was agreed by the Audit & Governance Committee.
- 7 The work has taken into account the strategies, objectives and risks of the Council as part of the audit planning process.
- 8 All Service directorates had some form of audit coverage during 2023/24 and 60 out of 72 audits) of the quarterly based audit plan was completed. This was mainly due to an Audit Manager post being vacant for part of the year and apprentices starting slightly later than originally planned. More time than planned was also spent on:
- A pilot project to review single person discounts identified as potential fraud or error through the National Fraud Initiative (NFI) data matching process.
 - Recruitment processes for the three audit apprentices and replacement Audit Manager.
 - Following up recommendations to ensure appropriate action had been taken on some longer outstanding medium priority recommendations.

While the overall opinion will always be a matter of professional judgement for the Chief Internal Auditor, the amount and type of work and risk-based approach carried out on the audit plan was sufficient for this overall Chief Internal Auditor's opinion to be robustly evidenced. A list of all audits completed during 2023/24 is attached at Annexe 1.

- 9 Each audit report provides an overall level of assurance on the adequacy of the management arrangements to manage the identified risks within the area reviewed. The assurance level definitions are as follows:

Assurance Level Definitions	
Substantial	There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
Reasonable	Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
Partial	There are weaknesses in the control framework which are putting service objectives at risk.
Minimal	The control framework is generally poor as such service objectives are at significant risk.

- 10 The list of 60 audits carried out during 2023/24 in Annexe 1 also details the assurance level given for each review.

In summary, 1 'Substantial', 39 'Reasonable' and 11 'Partial' assurance level opinions were given during the year. Additionally, 6 consultancy and 3 follow up reviews were also carried out during 2023/24. There were no Minimal assurance opinions given for any of the audits. Whilst the 'Partial' opinion audits are reported during the quarterly reporting to Audit & Governance Committee, it is good practice to summarise and state these again in this annual report, these were:

	Audit	High Priority recommendations to improve controls covering:
1	Adult Social Care - Managing Other People's Money	Update of signatories on bank accounts. Closure of remaining legacy bank accounts. Usage of pre-loaded cards by Carers records.

	Audit	High Priority recommendations to improve controls covering:
2	Commissioning - Brokerage (2022/23/24)	Compliance with process to use the Brokerage Service for all residential care placements. Homecare Booking forms & Residential Care Letters of Agreements.
3	Commissioning - Brokerage Procurement & Contract Monitoring	Homecare off-contract framework usage. Homecare off-contract placement records. Residential care spot purchasing contract records.
4	Children's Services - Care Leavers Offer	Centralised records of services offered to care experienced young people.
5	Children's Services - Agency Staffing	Operational procedures. 'Off-contract' authorisation records, corporate policy guidance and compliance with Financial Regulations. Pay rates for agency staff.
6	Children's Services - Linwood Special School	Deficit budget management. Procurement compliance with Department for Education requirements.
7	Children's Services - Section 17 Expenditure	Policy and procedures for section 17 expenditure. Authorisation of expenditure in line with the Scheme of Delegation.
8	Commercial Operations - Seafront Seasonal Recruitment	Seafront workforce plan. Policy and procedures covering recruitment. Application processing and record-keeping. End of season contract termination.
9	Environment - Bereavement Services Income	Invoicing process. Sale and renewal of memorial permits, commemorative items and deeds of grave. Income reconciliation. Debt management. Integration with corporate debtors system.
10	IT & IS - Disaster Recovery	Formalisation of disaster recovery plan.
11	Finance - Main Accounting (with Financial Management)	Review of control accounts. Dynamic F&O user training.
12	Planning & Transportation - Developer Contributions (Expenditure)	MasterGov system development and implementation. Section 106 records. Compliance with legal agreements. Service Directorate information and reporting.

- 11 During 2023/24 regularity audit work was undertaken covering a range of systems in different service areas and schools and included audits of the following fundamental Council financial systems: Main Accounting, Creditors, Debtors, Housing Rents, Housing Benefits, Treasury Management, Social Services Financial Assessments, Payroll, Council Tax and NDR systems (as set out in Annexe 2).
- 12 The Council's Assurance Framework (as set out at Annexe 3) has been populated to show Internal Audit coverage during 2023/24 over the significant risks facing the Council which has been carried out through Key Assurance audit reviews.
- 13 Recommendations were made throughout the year across all service areas and schools, and action plans detailing management actions to mitigate the risks and control weaknesses identified have been agreed in all cases.
- 14 For all audits finalised during the period April 2023 to March 2024, a total of approximately 257 recommendations were made (compared to 250 recommendations in 2022/23 and 311 recommendations in 2021/22). 100% of these recommendations have been accepted by management.
- 15 The establishment of robust follow-up procedures has provided assurance that the implementation of audit recommendations is high. The quarterly update report to this committee provides an ongoing status update of recommendations and any that require escalation.

- 16 Outstanding actions in response to all recommendations have been noted; these have been subject, on a risk basis, to pragmatic revisions to previously agreed dates, mainly to take account of service restructures and the Council's transformation programme. It has therefore not been necessary to instigate the audit recommendation escalation policy agreed with the Audit & Governance Committee.
- 17 Auditees score individual areas of the audit process resulting in a combined total client satisfaction score (5-Very Good, 4-Good, 3-Satisfactory, 2-Poor, 1-Very Poor). The following average auditee satisfaction scores were received during 2023/24

Year	Audit completed within expected timescales	Adequately consulted and able to highlight concerns/risks	Helped to manage risks, improve controls and governance	Report clear, concise, well presented and understandable	Overall
2022/23	4.17	4.29	4.17	4.58	4.30
2023/24	4.69	4.72	4.69	4.66	4.69

- 18 The overall average score of 4.69 illustrates a very high level of satisfaction with the way in which audits are conducted. Importantly, management perceive that Internal audit are adding value, providing clear independent advice on the establishment and adequacy of the control environment.

Counter Fraud Work

- 19 Counter Fraud work was undertaken during 2023/24 to further improve the Council's arrangements for combating fraud & corruption. This work included reviewing selected fraud risk areas such as contract award, schools admissions, anti-bribery requirements, regulation of investigatory powers act and investigatory powers act requirements, treasury management payments and housing tenancy fraud arrangements.
- 20 Proactive counter fraud work is continuously carried out which includes obtaining information on frauds that have occurred in other local authorities (through sources such as the National Anti-Fraud Network). The information is assessed for risk exposure within BCP Council and assurances are sought that existing controls would prevent the fraud occurring (e.g. bank mandate attempted fraud).
- 21 Internal Audit have continued to provide specialist investigative resource to support management with high risk fraud areas (housing tenancies, right to buy and blue badges). Work was also carried out on coordinating the annual Cabinet Office National Fraud Initiative (NFI) data matching exercises.
- 22 Work was carried out on a Single Person Discount (SPD) pilot project to increase Council Tax yield by systematically reviewing all National Fraud Initiative (NFI) data matches that may indicate fraud or error in relation to residents claiming SPD. Discounts are removed where fraud or error is found, and the national penalty charge (£70) is levied for failure to notify the Council of a change in circumstances. Work on the project commenced in June 2023, with the vast majority of the work undertaken later in the year once the system was fully embedded and apprentices trained. As at 28/03/24, a total number of 993 matches had been reviewed resulting in 221 SPD's being removed with a total value of £243,678 (this figure includes previous year's incorrect SPDs claimed and financial penalties applied whenever applicable).
- 23 Internal Audit have carried out proportionate investigations during the year in response to every identified or suspected case of financial irregularity.
- 24 Outcomes of the counter fraud work (including concluded investigations and NFI results) are incorporated into the Internal Audit Counter Fraud Work and Whistleblowing Referrals annual report which will be presented to the October 2024 Audit & Governance Committee meeting.

Risk Management Framework

- 25 An annual audit review of the Risk Management key assurance function was carried out and resulted in an 'Reasonable' audit opinion, demonstrating the adequacy of the risk management framework.
- 26 There is a Risk Management Policy and the Audit & Governance Committee receive, on a quarterly basis, an update on the Council's corporate risk register.

Governance Work

- 27 Internal Audit completed some specific governance reviews during the year:
- BCP Homes Governance Review (22/23/24 audit) – Reasonable Audit Opinion
 - Delivery of Regeneration – Governance Review (22/23/24 audit) – Consultancy Review
 - People & Culture Scheme of Delegation Review - Reasonable Audit Opinion
- Where applicable, recommendations were made to improve internal control and governance arrangements.
- 28 The Local Code of Governance update is being taken to this Committee meeting as part of the Annual Governance Statement report.
- 29 Progress made against actions arising from the 2022/23 Annual Governance Statement has been reviewed and was presented to the Audit & Governance Committee in January 2024.
- 30 Work has been undertaken to compile the 2023/24 Annual Governance Statement for inclusion in the Council's statement of accounts. The preparation of the statement included reviewing the Management Assurance Statements (evaluation on the adequacy and robustness of management controls) completed by Corporate and Service Directors.

Other Work

- 31 Work was undertaken during the year to certify grant and external funding schemes totalling approximately £12.7 million as required by the grant funding conditions. The grants included:
- Aspire;
 - Supporting Families;
 - Various Department for Transport grants;
 - Disabled Facilities Grant;
 - Early Education Funding
- 32 Assurance was carried out in the year on Aspire (European grant) funding for this final year of this project. This was a fee chargeable service.
- 33 Internal Audit carried out internal audits of the Charter Trustees of Bournemouth and the Charter Trustees of Poole as requested to support their Annual Governance and Accountability Returns (AGAR). This was a fee chargeable service.
- 34 Work was carried out to provide assurance on compliance with the Declaration of Interests, Gifts & Hospitality Policy, specifically the necessary completion of Form 2s by Tier 4 and above officers and reported separately to the Audit & Governance Committee in July 2023 under the 'Annual Review of Register of Declarations of Interests, Gifts and Hospitality by Officers Report 2022/23' report.
- 35 Assurance on funds allocated to nurseries and pre-schools was provided during the year. No significant issues arose from this work.
- 36 Support and advice has been provided on breaches and waivers of Financial Regulations which is included in a separate report to this committee meeting.
- 37 Internal audit also continued to provide support on the independent review for Local Government early retirement (on the grounds of ill health) appeals during the year.
- 38 Officer time was also spent on supporting the equalities and women's network corporate groups.

- 39 There was 1 significant investigation, led by Internal Audit, undertaken at the request of the Chief Operations Officer. The investigation was requested following financial losses sustained by the Council of approximately £175,000 in a restaurant pop up venture during part of the summer of 2022. The title of the investigation was:
- Commercial Operations - Seafront: Review of Pop-Up / Temporary Activities Incorporating Bayside Restaurant
- Eighteen recommendations were made. Due to the nature of the review, assurance ratings were given across the sixteen agreed scope areas as follows - Minimal (3), Partial (11), and Reasonable (1)
- 40 Internal Audit has completed all planned actions as part of the Data Analytics Strategy to support the effective and efficient delivery of assurance. Specific assurance work was undertaken using data analytics on council tax, creditors and employee additional payments audit areas during 2023/24.

Compliance with Professional Standards

- 41 The Public Sector Internal Audit Standards (PSIAS) require the Council to put in place a quality assurance and improvement programme in respect of Internal Audit, which must include both external and internal assessments.
- 42 CIPFA concluded that the BCP Internal Audit Team conformed with the PSIAS following their external assessment in June 2021. An external assessment is required to take place every 5 years under PSIAS and is therefore next due in June 2026.
- 43 An annual internal self-assessment is carried out in between the external assessment and the self-assessment carried out during 2023/24 demonstrated that all standards were met.
- 44 All Auditors sign an annual declaration of the Institute of Internal Auditor's (IIA) code of ethics, which confirms that they will remain independent and will report any conflicts of interest to the Chief Internal Auditor or Head of Finance. In undertaking all audit reviews, officers have acted independently, objectively and ethically at all times.
- 45 In accordance with the Audit Charter, the Deputy Chief Internal Auditors have overseen all audit engagements for functions that are managed by the Chief Internal Auditor (Emergency Planning, Business Resilience, Risk Management, Insurance and Health & Safety) and reports have been provided directly to the Head of Finance.
- 46 There are some forthcoming changes to the Global Internal Audit Standards which will affect the current Public Sector Internal Audit Standards that the Internal Audit team are required to comply with. These changes and new standards are due to be in place for April 2025 (for the Public Sector). The Audit & Governance Committee will be kept informed of the new standards and plans by the Internal Audit team to ensure adequate preparation for the changes (albeit changes are not expected to be significant).
- 47 The CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations" demonstrates the Head of Internal Audit's (HIA) critical role in delivering the organisation's strategic objectives. An annual self-assessment has been carried out in respect of the five principles contained in this document, which states that the HIA:
- a should promote good governance, assess the adequacy of governance and management of existing risks, and advise on proposed developments;
 - b should give an objective and evidence based opinion on all aspects of governance, risk management and internal control;
 - c must be a senior manager with regular and open engagement across the organisation with the Leadership Team and the external auditor;
 - d must lead and direct an internal audit service that is resourced to be fit for purpose; and
 - e must be professionally qualified and suitably experienced.

- 48 The Chief Finance Officer (CFO) has confirmed, through regular 1:1 meetings and a formal annual appraisal, that the Council's Chief Internal Auditor is compliant with all of these five principles.

Conclusion

- 49 It is the opinion of the Chief Internal Auditor that the Internal Audit Team complies with professional standards and has completed sufficient and appropriate work to provide assurance on the adequacy and effectiveness of the Council's internal control environment.

Appendices

Annexe 1	2023/24 Audits Completed
Annexe 2	Key Financial System Audit Opinions
Annexe 3	BCP Council Assurance Framework 2023/24

Annexe 1: 2023/24 Audits Completed

	Service Area	Audit	Assurance Opinion
	SERVICE DIRECTORATE AUDITS		
1	Adult Social Care	Hospital Discharge Service	Reasonable
2	Adult Social Care	Managing Other People's Money	Partial
3	Adult Social Care & Commissioning	Health & Safety and Fire Safety (KAF)	Reasonable
4	Commissioning	Brokerage (2022/23/24)	Partial
5	Commissioning	Brokerage Procurement & Contract Monitoring	Partial
6	Housing	BCP Homes Governance Review	Reasonable
7	Children's Services	Care Leavers Offer	Partial
8	Children's Services	Agency Staffing	Partial
9	Children's Services	Risk Management	Reasonable
10	Children's Services	Performance Management & Governance	Consultancy
11	Children's Services	Section 17 Expenditure	Partial
12	Commercial Operations	Civil Enforcement	Reasonable
13	Commercial Operations	Seafront Seasonal Recruitment	Partial
14	Customer, Arts & Property	Business Planning & Performance Management	Reasonable
15	Planning & Transportation	Planning Contributions	Reasonable
16	Environment	Bereavement Services Income	Partial
17	Environment	Coroner and Mortuary Service Review (2022/23/24)	Reasonable
18	People & Culture	Scheme of Delegation Compliance	Reasonable
19	Finance	Council Tax Data Analysis	Consultancy
20	IT & IS	Disaster Recovery	Partial
21	IT & IS	Network Security	Reasonable
22	Corporate	Delivery of Regeneration – Governance Review (2022/23/24)	Consultancy
	KEY ASSURANCE FUNCTION AUDITS		
23	Finance	Asset Management	Reasonable
24	Finance	Business Continuity & Emergency Planning	Reasonable
25	Finance	Financial Management (with Main Accounting KFS)	Reasonable
26	Finance	Health & Safety	Substantial
27	Customer, Arts & Property	Fire Safety	Follow Up
28	People & Culture	Human Resources (Mandatory Training)	Reasonable
29	Finance	Procurement (with Contract Award Counter Fraud Review)	Reasonable
30	IT & IS	Project & Programme Management	Consultancy
31	Finance	Risk Management	Reasonable
32	Policy & Research	Business Planning & Performance Management	Reasonable
33	Adult Social Care	Corporate Safeguarding (2022/23/24)	Reasonable
34	Marketing, Communications & Policy	Sustainable Environment	Consultancy
35	Corporate	Partnerships	Reasonable
	KEY FINANCIAL SYSTEMS AUDITS		
36	Finance	Housing Benefits	Reasonable
37	Finance	Council Tax	Reasonable

	Service Area	Audit	Assurance Opinion
38	Finance	Non Domestic Rates	Reasonable
39	Finance	Main Accounting (with Financial Management)	Partial
40	Finance	Creditors	Reasonable
41	Finance	Debtors	Follow Up
42	Finance	Treasury Management	Reasonable
43	Finance	Social Care Financial Assessments	Reasonable
44	Finance	Payroll	Reasonable
45	Housing	Housing Rents	Follow Up
	SCHOOL AUDITS		
46	Children's Services	Mudeford Infants School	Reasonable
47	Children's Services	Mudeford Junior School	Reasonable
48	Children's Services	Christchurch Infant School	Reasonable
49	Children's Services	St Katherines C of E School	Reasonable
50	Children's Services	Linwood Special School	Partial
	COUNTER FRAUD AUDITS		
51	All service areas	Contract Award (with Procurement Audit)	Reasonable
52	Children's Services	Schools Admissions	Consultancy
53	Housing	Housing Tenancy	Reasonable
54	Finance	Treasury Management Payments	Reasonable
55	Finance	Anti-Bribery Requirements	Reasonable
56	Finance	Regulation of Investigatory Powers Act and Investigatory Powers Act Requirements	Reasonable

Audits Carried Out Across 2023/24/25			
	Service Area	Audit	Status
Completed			
57	Adult Social Care	Section 117 Hub	Reasonable
58	Adult Social Care	Corporate Safeguarding - Modern Slavery (Key Assurance Core Review)	Reasonable
59	Law & Governance	Information Governance (Key Assurance Core Review)	Reasonable
60	People & Culture	Employee Additional Payments (Data Analytics Review)	Reasonable
Finalising			
61	Housing & Communities & Customer, Arts and Property	Facilities Management - Housing Stock (Key Assurance Review)	Draft Report
62	Planning & Transportation	Developer Contributions (Expenditure)	Draft Report
63	Customer, Arts & Property	Facilities Management (Key Assurance Core Review)	Drafting Report
Audits Deferred (for Consideration in 2024/25) or Removed			
	Service Area	Audit	Comment/rationale

64	Education & Skills	SEND Workforce Development	This audit was removed from the 2023/24 plan as a Sector Led Improvement Partner review looking at workforce competence and capacity was being undertaken at the same time. An audit will be undertaken in 2024/25 covering induction and mandatory training in Children's Services.
65	Infrastructure	Local Transport Plan	Following discussions with managers, this was no longer considered a high-risk audit and removed due to resource pressures.
66	Infrastructure	Road Safety	Following discussions with managers, this was no longer considered a high-risk audit and removed due to resource pressures.
67	Finance	IR 35 Compliance	The roll out of a new process is due from December, possible January to March, therefore the audit has been postponed until 2024/25.
68	Infrastructure	Delivery of Regeneration	This original audit was intended to review BCP Future Places including business planning and performance management. As this has now been brought inhouse, this audit was superseded and replaced by Development & Investment KAF review.
69	Development & Investment	Development & Investment – KAF Overview	Awaiting new Service Directorate arrangements to be confirmed. Audit planned for 2024/25.
70	Adult Social Care	Contact Centre	Project Management arrangements still being determined. Audit planned for 2024/25.
71	Commissioning	Homecare & Residential Care Payments (Counter Fraud)	Postponed until Q1 2024/25 due to resourcing issues.
72	Education & Skills	Pupil Premium Grant	Postponed until Q1 2024/25 to clarify scope – this will now specifically look at PPG arrangements in relation to the virtual school.

Annexe 2: Key Financial Systems Opinions

Assignment Title	Service Area	2023/24 Opinion	2022/23 Opinion	2021/22 Opinion
Council Tax	Finance	Reasonable	**Reasonable	**Reasonable
NDR	Finance	Reasonable	**Reasonable	**Reasonable
Housing Benefits	Finance	Reasonable	Reasonable	Reasonable
Debtors	Finance	Follow Up	**Partial	**Partial
Main Accounting	Finance	*Partial	Reasonable	Reasonable
Creditors	Finance	Reasonable	Reasonable	Reasonable
Payroll	HR	Reasonable	Reasonable	c/fwd to 22/23
Treasury Management	Finance	Reasonable	Reasonable	Reasonable
Housing Rents	Housing	Follow Up	Reasonable	Reasonable
Social Services Financial Assessments	Finance	Reasonable	**Reasonable	*Reasonable

Notes

* Main Accounting – High Priority Recommendations were made to improve controls over control accounts and new system user training

** Audits carried out across 2021/22/23

Key:

- **Substantial Assurance** - There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
- **Reasonable Assurance** - Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
- **Partial Assurance** - There are weaknesses in the control framework which are putting service objectives at risk.
- **Minimal Assurance** - The control framework is generally poor and as such service objectives are at significant risk.

Annexe 3

BCP Assurance Framework 2023/24

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	Internal Audit Assurance Work
Internal Audit	<ul style="list-style-type: none"> • All Service Directorates audited during 2023-24 • 60 out of 72 Audits completed (see Annexe 1 for list of audits) • 1 Substantial, 39 Reasonable and 11 Partial Assurance Level opinions were given during the year. 6 consultancy reviews and 3 follow up reviews were also carried out • There were no Minimal assurance opinions
Counter Fraud	<ul style="list-style-type: none"> • Audit assignments carried out during 2023/24 have considered the risk of fraud including targeted high fraud risk reviews • Corporate Fraud Officer has provided support to service directorates on high risk external fraud areas (including housing tenancy) • Several investigations carried out and recommendations made to improve controls • Participated in National Fraud Initiative (NFI) data matching exercise • Single Person Discount (SPD) pilot project carried out to increase Council Tax yield by systematically reviewing all NFI data matches that may indicate fraud or error in relation to residents claiming SPD
Asset Management (Estate Management)	<ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on asset management – estate management ('Reasonable' audit opinion)
Asset Management (Facilities Management)	<ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on asset management - facilities management (audit being finalised)
Business Continuity	<ul style="list-style-type: none"> • Regular reporting took place during the year on corporate emergency planning arrangements to Audit & Governance Committee • Corporate Resilience Strategy and Emergency Planning & Business Continuity Governance Framework are in place • Internal Audit carried out an annual assurance review on Business Continuity ('Reasonable' audit opinion)
Business Planning & Performance Management	<ul style="list-style-type: none"> • Corporate performance reporting to Cabinet took place during the year • Internal Audit carried out an annual assurance review ('Reasonable' audit opinion)

INTERNAL SOURCES OF ASSURANCE

Source of Assurance	Internal Audit Assurance Work
Financial Management	<ul style="list-style-type: none"> Regular reporting took place in year to Cabinet and Council Internal Audit review of Financial Management and Main Accounting system undertaken during the year ('Partial audit opinion for Main Accounting')
Health & Safety	<ul style="list-style-type: none"> Reporting of arrangements to Audit & Governance Committee took place in the year Internal Audit carried out an annual assurance review on corporate Health & Safety arrangements ('Substantial' audit opinion)
Fire Safety	<ul style="list-style-type: none"> Reporting of arrangements to Audit & Governance Committee took place in the year Internal Audit carried out an annual assurance review on corporate Fire Safety arrangements ('Consultancy' audit opinion)
Human Resources	<ul style="list-style-type: none"> Audit review carried out on corporate Human Resources arrangements covering mandatory corporate training ('Reasonable' audit opinion)
Information Communication Technology	<ul style="list-style-type: none"> Internal Audit carried out reviews on Disaster Recover arrangements ('Partial' audit opinion) and Network Security ('Reasonable' audit opinion)
Information Governance	<ul style="list-style-type: none"> Information Governance Board in place and regular meetings occurring Internal Audit carried out an annual assurance review on Information Governance ('Reasonable' audit opinion)
Partnerships	<ul style="list-style-type: none"> Internal Audit carried out an annual assurance review on corporate Partnerships arrangements ('Reasonable' audit opinion)
Procurement	<ul style="list-style-type: none"> Internal Audit review of Procurement carried out ('Reasonable' audit opinion) See separate Annual Report on Breaches and Waivers reported to this committee
Project & Programme Management	<ul style="list-style-type: none"> Internal Audit carried out a consultancy review on corporate project and programme management arrangements
Risk Management	<ul style="list-style-type: none"> Corporate Risk Management Strategies and frameworks in place Regular risk management reporting took place during the year to Audit & Governance Committee and Senior Management Audit review carried out on current arrangements for risk management ('Reasonable' audit opinion)
Safeguarding	<ul style="list-style-type: none"> Internal Audit carried out an annual assurance review on corporate safeguarding covering modern slavery arrangements ('Reasonable' audit opinion)

INTERNAL SOURCES OF ASSURANCE

Source of Assurance	Internal Audit Assurance Work
Management Assurance Statements	<ul style="list-style-type: none">• Received from Corporate and Service Directors• Any potential significant issues raised were considered for inclusion on the Annual Governance Statement

EXTERNAL SOURCES OF ASSURANCE

External Audit	Quality / Accreditation Schemes
External Reviews & Inspections	External Benchmarking
Regularity Bodies	Peer Reviews