



Welwyn Hatfield Borough Council Audit Committee Progress Report 30 January 2025

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 16 January 2025
- Note the implementation status of internal audit recommendations and the management update.

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1. Introduction and Background

Purpose of Report

- 1.1 This report details:
- a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Internal Audit Plan for 2024/25 as at 16 January 2025.
 - b) Proposed amendments to the approved 2024/25 Internal Audit Plan.
 - c) The implementation status of previously agreed audit recommendations.
 - d) An update on performance indicators as at 16 January 2025.

Background

- 1.2 The 2024/25 Internal Audit Plan was approved by the Audit Committee on 18 March 2024.
- 1.3 The Committee receives periodic updates of progress against the Annual Internal Audit Plan. This is the third report giving an update on the delivery of the 2024/25 Internal Audit Plan.
- 1.4 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.

2. Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 16 January 2025, 65% of the 2024/25 Audit Plan days had been delivered.
- 2.2 There have been six final audit reports that have been issued since the previous progress report.

Audit Title	Assurance Opinion	Recommendations
Creditors (Risk & Control Mapping)	Substantial	None
Debtor (Risk & Control Mapping)	Substantial	None
Payroll (Risk & Control Mapping)	Substantial	None
Procurement Act – Preparedness Part 1	Reasonable	1 Medium, 1 Low
Procurement Act –	Substantial	None

Audit Title	Assurance Opinion	Recommendations
Preparedness Part 2		
Sickness Absence Management	Reasonable	3 Medium, 3 Low

High Priority Recommendations

- 2.3 Members will be aware that a Final Audit Report is issued when it has been agreed by management; this includes an agreement to implement the recommendations that have been made. It is SIAS's responsibility to bring to Members' attention the implementation status of high priority recommendations; it is the responsibility of officers to implement the recommendations by the agreed date.
- 2.4 No new high priority recommendations have been raised as a result of the work completed and reported in the table at paragraph 2.2. Therefore, there are currently no outstanding high priority recommendations.

Medium Priority Recommendations

- 2.5 It has been agreed with Council management that SIAS will follow up all medium priority recommendations resulting from internal audit reports at the point that they reach the implementation target date advised in the action plan provided by management. There were six medium priority recommendations due for follow up during this cycle, two of which have been implemented. An update has been provided in respect of the outstanding medium priority recommendations in appendix D.

Proposed In-Year Amendments to the 2024/25 Internal Audit Plan

- 2.6 There are no major plan amendments proposed within this reporting period.

Performance Management: Reporting of Audit Plan Delivery Progress

- 2.7 To help the Committee assess the current progress of the projects in the Audit Plan, we have provided an overall progress update of delivery against planned commencement dates at Appendix B. The table below shows that summary of performance based in the latest performance information reported at Appendix A.

Status	No of Audits at this Stage	% of Total Audits	Profile to 16 January 2025
Draft / Final Report Issued	15	60%	(17/25)
In Fieldwork / Quality Review	4	16%	(4/25)
Terms of Reference Issued / In Planning	6	24%	(4/25)
Not Yet Started	0	0%	(0/25)

2.8 Annual performance indicators and associated targets were approved by the SIAS Board in March 2023. As at 16 January 2025, actual performance for Welwyn Hatfield Borough Council against the targets that can be monitored in year was as shown in the table below:

Performance Indicator	Annual Target	Profiled Target to 16 January 2025	Actual to 16 January 2025
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excluding unused contingency)	95%	70% (200 / 285 days)	65% (186 / 285 days)
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects by 31 st March 2024	90%	68% (17 / 25 projects)	60% (15 / 25 projects)
3. Client Satisfaction with Conduct of the Audit – percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%	100%	100% (9 returned from 16 issued within 2024/25)
4. Number of High Priority Audit Recommendations agreed	95%	95%	No high priority recommendations have been made to date in 2024/25

2.9 In addition, the performance targets listed below are annual in nature. Performance against these targets will be reported on in the 2024/25 Head of Assurance's Annual Report:

- **5. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting, then the plan should be prepared for the first meeting of the financial year.
- **6. Head of Assurance's Annual Report** – presented at the Audit Committee's second meeting of the civic year.
- **7. Planned Projects** - percentage of actual completed projects to Final report stage against planned completed projects. Reported annually within the Chief Audit Executive's annual report and opinion.

Summary of Performance Against KPI's

2.10 Whilst Plan delivery is naturally subject to a continued stable establishment and availability of client officers to support audits, we currently report no risks to the delivery of a robust annual assurance opinion.

APPENDIX A – PROGRESS AGAINST THE 2024/25 AUDIT PLAN AS AT 16 JANUARY 2025

2024/25 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECOMMENDATIONS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS / COMMENTS	CSQ Completed
		C	H	M	L					
Key Financial Systems										
Cash and Banking						10	SIAS	0.5	In Planning	
Creditors (Risk & Control Mapping)	Substantial	0	0	0	0	5	SIAS	5	Final Report	Yes
Debtors (Risk & Control Mapping)	Substantial	0	0	0	0	5	SIAS	5	Final Report	Yes
Housing Benefits						10	SIAS	3	In Fieldwork	
Payroll (Risk & Control Mapping)	Substantial	0	0	0	0	5	SIAS	5	Final Report	Yes
Treasury Management						10	SIAS	9.5	Draft Report	
Operational Services										
CCTV and Body Worn Cameras						10	SIAS	0.5	In Planning	
CIL – Implementation						10	BDO	1	In Planning	
Damp and Mould Follow Up						6	SIAS	6	Draft Report	
Oak Hill						10	SIAS	9.5	Draft Report	
Parking - New On-Street Parking Restrictions						10	SIAS	9.5	Draft Report	
Planned work and repairs						14	SIAS	13.5	Draft Report	
Statutory Compliance						12	SIAS	5	In Fieldwork	
Tenancy Audits						10	BDO	4	In Fieldwork	
Trees Inspection	Reasonable	0	0	1	1	10	SIAS	10	Final Report	Yes

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AUDITABLE AREA	LEVEL OF ASSURANCE	RECOMMENDATIONS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS / COMMENTS	CSQ Completed
		C	H	M	L					
Programme										
Corporate Services										
Agency Staffing						10	SIAS	9	Quality Review	
Contract Procurement						10	SIAS		In Planning	
Engagement Strategy						8	SIAS	1	In Planning	
Procurement Act – Preparedness Part 1	Reasonable	0	0	1	1	5	SIAS	5	Final Report	Yes
Procurement Act – Preparedness Part 2	Substantial	0	0	0	0	3	SIAS	3	Final Report	Yes
Sickness Absence Management	Reasonable	0	0	3	3	10	SIAS	10	Final Report	Yes
Transformation Board						10	SIAS	9.5	Draft Report	
IT Audits										
Cyber - Governance and Culture						10	BDO	9.5	Draft Report	
IT Architecture Assessment						12	BDO	0.5	In Planning	
Remote Working and Multi Factor Authentication	Substantial	0	0	0	1	12	BDO	12	Final Report	No
Grant Claims / Charity Certification										
Miscellaneous Grant Claims						2				
Contingency										
Contingency						0				

APPENDIX A – PROGRESS AGAINST THE 2024/25 AUDIT PLAN AS AT 16 JANUARY 2025

AUDITABLE AREA	LEVEL OF ASSURANCE	RECOMMENDATIONS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS / COMMENTS	CSQ Completed
		C	H	M	L					
Client Management - Strategic Support										
Audit Committee and Recommendation Follow Up						10	SIAS	8.5		
Chief Audit Executive Opinion 2023/24						3	SIAS	3	Complete	N/A
Client Liaison and Corporate Governance Group						8	SIAS	6		
Plan and Progress Monitoring						7	SIAS	5.5		
SAFS Management Actions Follow Up						1	SIAS	0		
SIAS Development and Global Internal Audit Standards implementation.						15	SIAS	8		
2025/26 Audit Planning						7	SIAS	4		
2023/24 Carry Forward										
Completion of outstanding 2023/24 projects						5	SIAS	5	Complete	N/A
Total		0	0	5	6	285		186.5		

Key / Notes

Not Assessed = No assurance opinion provide as the project was either consultancy based or validation for compliance
 C = Critical Priority, H = High Priority, M = Medium Priority, L = Low Priority
 BDO = SIAS Audit Partner
 N/A = Not Applicable
 Audit Plan Days are a guide only and are not formally allocated. This is as per the approved 2023/24 Internal Audit Plan.
 CSQ = Client Satisfaction Questionnaire

APPENDIX B – 2024/25 AUDIT PLAN START DATES AGREED WITH MANAGEMENT

	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
Audits	Sickness Absence Management - Final Report	Creditors CRA Mapping – Final Report	Agency Staffing – Quality Review	Cash and Banking – In Planning
	Trees Inspection Programme - Final Report	Damp and Mould Follow Up – Draft Report	Payroll CRA Mapping – Final Report	CCTV and body worn cameras – In Planning
	Transformation Board – Draft Report	Debtors CRA Mapping – Final Report	Statutory Compliance – In Fieldwork	CIL - Implementation – In Planning
		Oak Hill – Draft Report	Tenancy Audits – In Fieldwork	Contract Procurement – In Planning
		Parking - New On-Street Parking Restrictions – Draft Report	Treasury Management – Draft Report	Housing Benefits – In Fieldwork
		Planned work and repairs – Draft Report		
		Procurement Act – Preparedness Part 1 – Final Report		
	Procurement Act – Preparedness Part 2 – Final Report			
IT Audits	Remote Working and Multi Factor Authentication - Final Report		Cyber - Governance and Culture – Draft Report	IT Architecture Assessment – In Planning – In Planning
Embedded Assurance	Engagement Strategy - Provision across 2024/25			

APPENDIX B – 2024/25 AUDIT PLAN START DATES AGREED WITH MANAGEMENT

Other	2023/24 Carry Forward			
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Key:

Final Report Issued

Draft Report Issued

Quality Review

IT – IT Audits

G/C – Grant or charity certification to be completed as part of the audit plan.

O - Other

CRA - Control Risk Assessment - A process by which management and staff work with internal audit to identify and evaluate operational risks and the effectiveness of controls. The objective is to provide reasonable assurance that all business objectives will be met.

APPENDIX C – IMPLEMENTATION STATUS OF OUTSTANDING MEDIUM PRIORITY RECOMMENDATIONS

Report Title and Date	Recommendation	Management Response	Original Target Date	Responding Officer	Management Action Taken to Date	Revised Target Date	Implementation Status
Handheld Devices Security April 2024	<p>Mobile Device Policies and Procedures</p> <p>As part of the mobile device provisioning process, members of staff should be provided with all associated relevant policies and directed to read them on a mandatory basis. Members of staff should be required to sign a declaration confirming that they have read and understood all necessary policies and procedures prior to being able to use their devices.</p> <p>It is understood that the Council's starters and leavers process is currently under review, and this recommendation should be included as part of this project.</p>	WHBC ICT will create a form for completion by new mobile device users, indicating the location of relevant policies and requiring confirmation that they have been read. Users will only be issued with mobile devices on completion of the form.	31/05/2024	ICT Operations Manager	<p><u>May 2024</u></p> <p>We are in discussions with HR to include the document as a signature requirement to be included within the onboarding process for new starters.</p> <p>The ICT policy is to be included as part of the DocuSign issued alongside the Code of conduct which is issued currently.</p> <p><u>August 2024</u></p> <p>WHBC are working with DocuSign to repackage the required documents. These will then be issued and signed off by new starters prior to their start date.</p> <p>We are working with the HR team to deliver a cohesive solution.</p> <p><u>January 2025</u></p> <p>The HR team are reviewing the DocuSign service as there are limitations on the functionality/capacity included with our service. We will be able to proceed once this has been completed.</p>	31/03/2025	In Progress

APPENDIX C – IMPLEMENTATION STATUS OF OUTSTANDING MEDIUM PRIORITY RECOMMENDATIONS

Report Title and Date	Recommendation	Management Response	Original Target Date	Responding Officer	Management Action Taken to Date	Revised Target Date	Implementation Status
IT Disaster Recovery and Business Continuity March 2024	<p>IT Disaster Recovery and Business Continuity Documentation</p> <p>Management should finalise the Council's Service Level Continuity Plan for ICT & Digital and formalise the documentation of the Council's disaster recovery arrangements through a defined IT Disaster Recovery Plan, which should then be approved and communicated to all relevant members of staff.</p> <p>The technical procedures for the recovery of critical IT services and systems should also be documented and appended to the disaster recovery plan, which should then be easily accessible in the event of an incident or disaster.</p> <p>Furthermore, arrangements should be put in place for the ICT business Continuity Plan and the Disaster Recovery Plan to be reviewed and tested on at least an annual basis or following a significant change to the Council's operations.</p>	<p>WHBC has reviewed and amended its BCP templates recently. These are being completed by services with a view to a full complement of service-based plans being in place by end of April.</p> <p>WHBC ICT will add step-by-step technical details of Disaster Recovery invocation to the document WHBC ICT DR Procedures.</p> <p>WHBC ICT will review its BCP and DR plans following each annual DR exercise (next scheduled exercise – September 2024).</p>	30/09/2024	<p>Assistant Director ICT & Digital</p> <p>ICT Operations Manager</p>	<p><u>January 2025</u></p> <p>WHBC are in the process of delivering a new Disaster Recovery solution which will offer improved recovery performance. New technical documents will be created as part of the deployment and the WHBC ICT DR Procedure will be updated.</p>	31/03/2025	In Progress

APPENDIX C – IMPLEMENTATION STATUS OF OUTSTANDING MEDIUM PRIORITY RECOMMENDATIONS

Report Title and Date	Recommendation	Management Response	Original Target Date	Responding Officer	Management Action Taken to Date	Revised Target Date	Implementation Status
IT Disaster Recovery and Business Continuity March 2024	<p>Assessment of Recovery Time and Point Objectives Management should carry out a thorough assessment of the Council's ability to achieve the defined recovery time and point objectives in the event of a critical incident or disaster, which should be formally documented and reviewed on a routine basis or following a significant change to the Council's operations.</p> <p>This should include ensuring that ICT & Digital business continuity and disaster recovery procedures are aligned and synchronised with Council-wide and other Directorate business continuity plans and requirements.</p> <p>Furthermore, the procedures that support the recovery of the Council's IT systems should be reviewed and tested on a routine basis to ensure that backup processes are sufficient to achieve the Council's expectations for the recovery of data in the event of a disaster.</p>	<p>WHBC ICT will test the accuracy of its Recovery Time and Point Objectives within the annual Disaster Recovery test. Any issues in achieving stated objectives or potential improvement in objectives will be flagged to Council Services via SMT, who will have the opportunity to confirm these objectives fit with their own business continuity plans and requirements or to request changes.</p> <p>WHBC ICT will institute a quarterly scheduled restoration of selected files from backup to test that processes are effective and matching the Council's expectations.</p>	30/09/2024	ICT Operations Manager	<p><u>January 2025</u> The RTOs and POs will be reviewed as part of the implementation of the new DR solution. The recovery times will be improved which will allow for the target times to be reduced.</p>	31/03/2025	In Progress

APPENDIX C – IMPLEMENTATION STATUS OF OUTSTANDING MEDIUM PRIORITY RECOMMENDATIONS

Report Title and Date	Recommendation	Management Response	Original Target Date	Responding Officer	Management Action Taken to Date	Revised Target Date	Implementation Status
White Paper - Housing Complaints Handling April 2024	<p>Capturing Lessons Learnt from Housing Complaints</p> <p>1) Whilst it is acknowledged that general complaint performance is reviewed monthly by the Senior Leadership Team, lessons learnt should be highlighted as part of the monthly reports to ensure that management are aware of the themes and trends in the complaints received. Reporting on lessons learnt will help identify training opportunities/guidance for staff to ensure lessons learnt are addressed, to improve the quality of service.</p> <p>2) The Council should ensure that further guidance and training opportunities on the basis of lessons learnt are communicated to service officers who respond to complaints to improve performance.</p> <p>3) As a form of training, quarterly reviews of complaints should be conducted, which involves the scrutiny of a sample of cases which breached the policy timeframes to identify areas of improvement. The exercise should also involve best practice examples as a comparison, to ensure service officers who respond to complaints are aware of the quality required in completing and resolving investigations.</p>	<p>1) More detailed reporting on Lessons Learned will be shared with SLT and the Housing Officers Strategic and Operational Working Groups.</p> <p>2) Additional training requirements for complaint handling is being reviewed, including staff briefing on updates following on from the final publication of the Complaints Handling Code and updated self-assessment. Any lessons learned will be included in this training and updates to teams.</p> <p>3) The Council has recently appointed a Complaints Insight Officer who will be responsible for undertaking quarterly reviews to identify areas of improvement, training needs and sharing examples of best practice.</p>	30/09/2024	Assistant Director (Customer Services & Transformation)	<p><u>January 2025</u></p> <p>1)More detailed lessons learned reporting is in place, with SMT receiving more detailed monthly complaints reports. An internal project team are currently looking at how lessons learned are capture so more detail can be reported. Officers are also able to call a case review on any complaint or Ombudsman case.</p> <p>2)All officers responsible for complaints received training on the updated policy and system processes throughout September and October. Training for new starters is ongoing and customer service/complaints to be included in the corporate induction presentation. External training will be provided as required.</p> <p>3)The Complaints Insight Officer undertakes a monthly sample of complaints to consider response time and quality of response. Any lesson learned are fed back to the relevant teams and SMT, as appropriate.</p>	31/03/2025	In Progress

APPENDIX D – ASSURANCE AND FINDINGS DEFINITIONS 2024/25

Audit Opinions		
	Assurance Level	Definition
Assurance Opinions	Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
	Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
	Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
	No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
	Not Assessed	This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.
Grant Certification	Unqualified	No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.
	Qualified	Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.
	Disclaimer Opinion	Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.
	Adverse Opinion	Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.

Finding Priority Levels		
	Priority Level	Definition
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.