

20TH MARCH 2024

## INTERNAL AUDIT – AUDIT UPDATE

### SUMMARY:

This report describes:

- A progress update on the 2023/24 Audit Plan.

### RECOMMENDATION:

Members are requested to:

- i. Note the audit work completed.
- ii. Note the update to the deliverables for Quarters 4.

## 1 Introduction

1.1 This report is to provide Members with:

- An overview of the work completed towards the 2023/24 audit plan;
- A progress update on the 2023/24 Audit Plan; and
- A schedule of work to be delivered in Q4.

## 2 Audit Work Completed

2.1 The Southern Internal Audit Partnership have now been selected to assist the Council with the delivery of the annual audit plan from 24/25 onwards, which will provide the Council with greater resilience.

2.2 The table below provides an overview of the assurance opinion, given to the completed audits since the last update:

Audit Title	Assurance Opinion	Recommendations by Priority		
		High	Medium	Low
2023/24 Internal Audit Plan				
Serco	Substantial	0	3	2
Health and Safety of Council Buildings	Substantial	0	7	1

2.3 Below is a summary of the key findings from the audits.

### Serco

The Authority entered into a contract with Serco for the provision of waste, recycling, street cleaning, public conveniences, open spaces and grounds maintenance of open spaces in 2017. This is a long-term contract currently scheduled to run until 2027 with an option to extend for a further 10 years.

The performance of the supplier is monitored at an operational level on a monthly basis with additional partnership meetings held quarterly. The information available from Serco and other sources allow the service to adequately monitor the supplier's performance.

The nature of the contractual arrangements means that the Authority generate their own charges and send them to Serco. Testing found that the Authority are not able to reproduce an exact break down of previously raised invoices, therefore should the charges be challenged, they would not be able to fully justify the charges levied. In addition, the invoice process is inefficient, needing to be completed at evenings and weekends due to overloading the system.

Non routine works are raised via a suitably controlled process and raised on a monthly basis. Sample testing in this area found that the jobs were justified and being charged correctly. Inflationary changes to the contractual costs were found to be applied correctly from the outset of the contract. Similarly, the guaranteed minimum income provision within the contract has been correctly applied.

### Health and Safety of Council Buildings

The Council hold health and safety responsibilities for 30 properties. These responsibilities include but are not limited to, the completion of Fire Risk Assessments, Electrical Instillation Condition Reports, Gas Safety Check, Legionella risk assessments, Lift Servicing, Building Condition Surveys and appropriately restricting building access.

Completion of statutory assessment and remedial actions raised is good with the opportunity to slightly increase monitoring of works raised to ensure all are completed in a timely manner.

The council are currently in contract with Temple Lifts who provide 2 monthly lift servicing which is not a statutory requirement and is not necessary.

Additionally, sufficient monitoring of inactive ID access cards is not currently in place.

## **3 Progress towards the 2023/24 Audit Plan**

- 3.1 An audit on InTune mobile device management was scheduled within the 23/24 audit plan. However, an external company have provided a level assurance on this area as part of the Council's annual PSN certification work. Therefore, the audit has been removed from the audit plan as the internal work would have duplicated this work. This does not impact on the level assurance that can be

provided within the audit opinion as the assurance from the external company can be utilised.

3.2 The table below provides a summary of progress to date (03/03/24):

Audit/ Audit follow up status	Number of reviews	%
Finalised	5	31
Draft report	3	19
In progress	7	44
Audits removed	1	6
	<b>16</b>	<b>100</b>
Audits to be started	0	0
<b>Total</b>	<b>16</b>	<b>100</b>

*NB: The figures within the table include 1 audit carried forward from the 2022/23 audit plan.*

#### 4. Expected Deliverables for Q4 2023/24

4.1 The work expected to be delivered in quarter 4 is detailed within the table below. These audits can be subject to change due to the evolving auditing environment. Updates on these will be provide at the next committee meeting:

Service	Audit/ follow up/descriptor
ELT	<b>CREP</b> – C/f from 2022/23
Finance	<b>CIPFA financial code</b> - To review the Council's compliance towards the CIPFA financial code.
ELT	<b>Rushmoor Homes Limited</b> - Review the processes in place for RBC involvement with RHL including the process for drawing down funding.
Democracy	<b>Elections</b> - Review of process and system changes and data security.
IT	<b>Cloud CRM</b> - A review of the implementation of the Council's cloud-based CRM system.
Operations	<b>Parking</b> – Post transfer review of processes
People	<b>Payroll</b> - Key financial system reviewed on a 3-year cycle.
Regenerations/ Property & Growth	<b>Capital Programme – Meads</b> - A review of the acquisition of the Meads.
ACE	<b>Homes for Ukraine fund</b> - A review of the processes for the Homes for Ukraine funding.
ACE/ Finance/ Property & Growth – Lead auditee ACE	<b>Financial Assistance to Organisations</b> - Review of the ongoing grants given to organisations and the performance measures in place.

## 5. Recommendation

- 5.1 Members are requested to note the information provided within the report in relation to the progress of Audit work to date towards the 2023/24 audit plan, and the expected deliverables for Q4.

**AUTHOR:** Nikki Fleming, Service Manager - Audit  
07867 377484

[nikki.fleming@rushmoor.gov.uk](mailto:nikki.fleming@rushmoor.gov.uk)

**HEAD OF SERVICE:** Peter Vickers, Executive Head of Financial Services and S151 Officer

**References:** *Internal Audit – Audit Plan 2023/24*, presented to the Committee on 27 March 2023.

[Agenda for Corporate Governance, Audit and Standards Committee on Monday, 27th March, 2023, 7.00 pm - Rushmoor Borough Council](#)