

Rutland County Council

Catmose, Oakham, Rutland, LE15 6HP

Telephone 01572 722577 Email governance@rutland.gov.uk

Ladies and Gentlemen,

A meeting of the **AUDIT AND RISK COMMITTEE** will be held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on **Tuesday, 6th December, 2022** commencing at 7.00 pm when it is hoped you will be able to attend. The meeting will also be available to view via Zoom at: <https://us06web.zoom.us/j/86940254839>

Yours faithfully

Mark Andrews
Chief Executive

Recording of Council Meetings: Any member of the public may film, audio-record, take photographs and use social media to report the proceedings of any meeting that is open to the public. A protocol on this facility is available at www.rutland.gov.uk/my-council/have-your-say/

Although social distancing requirements have been lifted there is still limited available for members of the public. If you would like to reserve a seat please contact the Governance Team at governance@rutland.gov.uk.

A G E N D A

1. WELCOME AND APOLOGIES

2. RECORD OF MEETING

To confirm the minutes of the Audit and Risk Committee held on 27 September 2022 and to receive an update on actions agreed in the minutes of the previous meeting.

(Pages 5 - 8)

3. DECLARATIONS OF INTEREST

In accordance with the Regulations, Members are invited to declare any disclosable interests under the Code of Conduct and the nature of those interests in respect of items on this Agenda and/or indicate if Section 106 of the Local Government Finance Act 1992 applies to them.

4. PETITIONS, DEPUTATIONS AND QUESTIONS

To receive any petitions, deputations and questions received from Members of the Public in accordance with the provisions of Procedure Rules 93 and 94.

The total time allowed for this item shall be 30 minutes. Petitions, declarations and questions shall be dealt with in the order in which they are received. Questions may also be submitted at short notice by giving a written copy to the Committee Administrator 15 minutes before the start of the meeting.

The total time allowed for questions at short notice is 15 minutes of the total time of 30 minutes. Any petitions, deputations and questions that have been submitted with prior formal notice will take precedence over questions submitted at short notice. Any questions that are not considered within the time limit shall receive a written response after the meeting and be the subject of a report to the next meeting.

5. QUESTIONS WITH NOTICE FROM MEMBERS

To consider any questions received from Members of the Council in accordance with the provisions of Procedure Rule 95.

6. NOTICES OF MOTION

To consider any Notices of Motion from Members submitted under Procedure Rule 97.

7. EXTERNAL AUDIT PROGRESS REPORT

To receive a verbal update from the Strategic Director for Resources and the Council's External Auditors.

8. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

To receive a verbal update from the Strategic Director of Resources.

9. INTERNAL AUDIT UPDATE

To receive Report No.192/2022 from the Chief Internal Auditor.
(Pages 9 - 30)

10. INTERNAL AUDIT PLAN DEVELOPMENT 2023/24

To receive Report No.193/2022 from the Chief Internal Auditor.
(Pages 31 - 34)

11. ANY OTHER URGENT BUSINESS

To receive items of urgent business which have previously been notified to the

person presiding.

12. DATE OF THE NEXT MEETING

Monday, 13th February 2023

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DISTRIBUTION

MEMBERS OF THE AUDIT AND RISK COMMITTEE:

Councillor A Walters (Chair)

Councillor E Baines (Vice-Chair)

Councillor D Blanksby

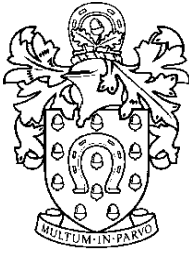
Councillor W Cross

Councillor J Fox

Councillor A MacCartney

Councillor R Payne

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Rutland County Council

Catmose Oakham Rutland LE15 6HP

Telephone 01572 722577 Email governance@rutland.gov.uk

Minutes of the **MEETING of the AUDIT AND RISK COMMITTEE** held in the Council Chamber, Catmose, Oakham, LE15 6HP on Tuesday, 27th September, 2022 at 7.00 pm

PRESENT: Councillor A Walters (Chair) Councillor E Baines (Vice-Chair)
Councillor D Blanksby Councillor A MacCartney
Councillor R Payne

ABSENT: Councillor W Cross Councillor J Fox

OFFICERS PRESENT: Angela Wakefield Director of Legal and Governance (Monitoring Officer)
Andrew Merry Head of Finance
Rachel Ashley-Caunt Chief Internal Auditor
Andy Nix Head of IT and Customer Services
David Ebbage Governance Officer

IN ATTENDANCE: Councillor K Payne Portfolio Holder for Finance, Governance and Performance, Change and Transformation

1 APOLOGIES

Apologies were received from Councillors W Cross and J Fox

2 MINUTES

Consideration was given to the minutes of the meetings held on 6 April and 28 June 2022.

It was moved by Councillor A Walters and seconded by Councillor A MacCartney that the minutes of the 6 April meeting be approved.

It was then moved by Councillor A Walters and seconded by Councillor D Blanksby that the minutes of the 28 June meeting be approved.

RESOLVED

That the minutes of the meetings held on 6 April and 28 June 2022 be **APPROVED**.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions deputations or questions had been received.

5 QUESTIONS WITH NOTICE FROM MEMBERS

No questions with notice from Members had been received.

6 NOTICES OF MOTION

No notices of motion had been received.

7 EXTERNAL AUDIT PROGRESS REPORT

Andrew Merry, Head of Finance, introduced Paul Harvey of Grant Thornton, the Council's External Auditors. Mr Harvey then provided a verbal update of their work on the Council's accounts for 2021-22.

8 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

The committee received a verbal update from Angela Wakefield, Director of Legal and Governance, confirming that there had been no use of the RIPA provisions since the last update to the Committee.

9 INTERNAL AUDIT PROGRESS REPORT

Report No. 154/2022 was introduced by Rachel Ashley-Caunt, Chief Internal Auditor, the report updated the Committee on the progress made in delivering the 2022/23 Annual Audit Plan and outcomes from those audit assignments completed since the last Committee meeting. It was confirmed that the Internal Audit team remained on track and within budget for the current year.

RESOLVED

- a) That the Committee **NOTED** the Internal Audit Update Report at Appendix A

10 INFORMATION GOVERNANCE ANNUAL REPORT

Report No. 152/2022 was introduced by Angela Wakefield, Director of Legal and Governance, the annual report provided an overview of the Council's activity in respect of how it had discharged its responsibilities in matters relating to Information Governance, including information regarding Compliments, Comments and

Complaints over the financial year from 1 April 2021 to 31 March 2022, it was noted these included complaints that had progressed to the Local Government Ombudsman. It was confirmed the Council's Data Protection Policy had been updated and approved by Cabinet since the Committee's last consideration of the annual report.

In response to a question on the seriousness of those complaints referred to the ombudsman, the Director for Legal and Governance agreed to provide a more detailed breakdown outside of the meeting.

Action: Angela Wakefield

Although it was noted the report stated council staff working from home had contributed to the reduction of data breaches as staff processed less data through hardcopy, it was also noted there also was a risk of electronic communications being sent to the wrong recipient and it was confirmed data protection training for all staff was due to be commence in the near future. It was requested for data on the level of staff working from home to be queried about and provided if available.

Action: Angela Wakefield

RESOLVED

- a) That the Committee **NOTED** the information contained in the report.

11 EXCLUSION OF THE PRESS AND PUBLIC

It was agreed the meeting would remain in a public session and Members were reminded not to disclose the specific contents of the exempt appendix.

12 STRATEGIC RISK REGISTER

Report No. 153/2022 was introduced by Angela Wakefield, Director of Legal and Governance. The report presented the Strategic Risk Register to the Committee and provided assurance that strategic risks were being adequately managed in line with the recently updated Risk Management Policy.

Andy Nix, Head of IT and Customer Services then updated Members on measures the Council was undertaking in relation to cybersecurity, in particular following the pandemic and increase in staff working outside of the office.

During questioning to the Head of IT and Customer Services the following points were made:

- Although the Council being smaller than most other authorities meant a relatively lower number of computers at risk of ransomware, this also meant a lower budget and IT team to secure these.
- The Council's unitary status meant a large level of personal data from children's and adults services were held.
- It was confirmed that the Council operated a filter system design to block phishing emails but it was not recommended to block certain key words in case a legitimate email was then blocked.
- It was confirmed staff computers were unable to access unauthorised websites even when working from home.

- It was identified that the single biggest risk to the Council remained internal staff as they would automatically be past the barrier of getting access to the Council network.

RESOLVED

- a) That the Committee **NOTED** the content of the updated Strategic Risk Register (Appendices A and B to the report) and the actions underway to address the risks.

13 ANY OTHER URGENT BUSINESS

There was no urgent business for consideration. It was noted a suggestion around the future number of Audit days would be discussed at a future date, but the Committee were reminded of the need to ensure sufficient audit days were provided to allow sufficient assurances to be given by the Chief Internal Auditor.

14 DATE OF THE NEXT MEETING

Tuesday, 6th December 2022.

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The Chair declared the meeting closed at 7.41 pm.

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Summary of Actions

Action No.	Agenda Item	Action	Person Responsible	Outcome
1	10	It was requested for detail on those complaints upheld by the Local Government Ombudsman.	Angela Wakefield	This has been circulated to the Committee outside of the meeting.
2	10	It was requested for data on the numbers of staff working from home to be provided if available.	Angela Wakefield	This data is not available because staff are working a hybrid model as opposed to a model of defined days in the office and at home. Working location is a topic in the recently launched all-staff survey.

AUDIT AND RISK COMMITTEE

6 December 2022

INTERNAL AUDIT UPDATE

Report of the Chief Internal Auditor

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Rachel Ashley-Caunt, Chief Internal Auditor	Tel: 07799 217378 rashley-caunt@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That the Committee:

1. Notes the Internal Audit update report (Appendix A).
2. Approves the amendment to the Internal Audit Plan 2022/23 to postpone the audit of the waste contract procurement and to allocate the remaining audit days to an audit of Business Continuity Management.

1 PURPOSE OF THE REPORT

- 1.1 To update the Committee on the progress made in delivering the 2022/23 Annual Audit Plan and outcomes from audit assignments completed since the last Committee meeting.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Update on Delivery of Internal Audit Plan

- 2.1.1 The progress made to date in delivering the 2022/23 audit plan is set out in Appendix A. At the time of reporting, 50% of the audit plan either complete or in progress. The outcomes of completed audits are summarised in the report at Appendix A.

Also included is the outcome of the first of the rolling reviews of entries on the Strategic Risk Register, which seek to provide assurance over the existence and operation of the controls lists on the risk entries.

- 2.1.2 There is one amendment to the Audit Plan proposed. Following the decision in October 2022 to defer the re-procurement of the waste contracts to enable consideration of waste infra-structure requirements, this audit work is no longer relevant at this time. As such, it is proposed that the remaining audit days be applied to an audit of Business Continuity Management, given this features as an amber residual risk on the Council's Strategic Risk Register.

2.2 Implementation of Recommendations

- 2.2.1 Internal Audit request that officers provide monthly updates on all open audit actions.
- 2.2.2 There are currently no actions rated as 'High' priority which have been overdue for implementation by more than three months. There are 13 actions which are overdue for completion.
- 2.2.3 It is standard practice for any audit reports receiving lower than Satisfactory Assurance opinions to be presented to the Audit and Risk Committee in full. To date, no such reports have been finalised from the 2022/23 Audit Plan.

3 CONSULTATION

- 3.1 No formal consultation required.

4 ALTERNATIVE OPTIONS

- 4.1 The Committee is asked to note the report. No alternative options are proposed.

5 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications directly arising from this report.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal Audit including approving the annual Audit Plan and satisfying itself that the plan provides assurance over the Council's control framework and key risks. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.
- 6.2 There are no legal implications arising from this report.

7 DATA PROTECTION

- 7.1 A Data Protection Impact Assessment (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 There are no equality implications

9 COMMUNITY SAFETY IMPLICATIONS

9.1 There are no community safety implications

10 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no health and wellbeing implications.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

11.1 The latest update report, provided in Appendix A, details the findings of recent Internal Audit work and any weaknesses in the control environment highlighted by these reviews, and provides an overview of the performance of the Internal Audit team and the implementation of actions by management. The Committee plays an important role in the oversight of Internal Audit work.

12 BACKGROUND PAPERS

12.1 There are no additional background papers to the report

13 APPENDICES

13.1 Appendix A: Internal Audit Update Report

13.2 Appendix B: Rolling risk review findings

13.3 Appendix C: Implementation of Audit Recommendations

13.4 Appendix D: Customer satisfaction statistics

13.5 Appendix E: Limitations and responsibilities

Large Print or Braille Version of this Report is available upon request – Contact 01572 72257

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Rutland County Council

Internal Audit Update

December 2022

Introduction

- 1.1 Internal audit has been commissioned to provide 360 audit days to deliver the 2022/23 annual audit plan and undertake other work commissioned by the client.
- 1.2 The Public Sector Internal Audit Standards (the Standards) require the Audit and Risk Committee to scrutinise the performance of the internal audit team and – of equal significance – to satisfy itself that it is receiving appropriate assurance about the controls put in place by management to address identified risks to the Council. This report aims to provide the committee with the information, on progress in delivering planned work and on performance of the Internal Audit service, which it requires to engage in effective scrutiny.

Performance

2.1 Will the Internal Audit Plan for 2022/23 be delivered?

Internal Audit is set the objective of delivering at least 90% of the plan to draft report stage by the end of March 2023. At the time of reporting, 50% of assignments are either complete or in progress.

2.2 Are audits being delivered to budget?

Internal Audit is on target to deliver the Audit Plan within the 360 days budget. Any overruns on individual assignments are typically managed within the overall budget.

2.3 Is the Internal Audit team achieving the expected level of productivity?

The most recent information available shows that the Internal Audit team are spending 94% of time on chargeable activities against a target of 90%.

2.4 Are clients satisfied with the quality of the Internal Audit assignments?

Customer satisfaction questionnaires are issued on completion of audits. Scores given by audit clients during the year to date are shown in Appendix D.

2.5 Based upon recent Internal Audit work, are there any emerging issues that impact on the Internal Audit opinion of the Council's Control Framework?

The status of each planned assignment, as at the time of reporting, is provided in Table 1. All assignments planned for the first quarter of the financial year are underway and progressing well. During the latest period, audit reports have been finalised in relation to Social Care Debt Recovery and Taxi Licensing – both reports have given assurance opinions of Satisfactory or above.

Also completed during the period was the first of the rolling reviews of entries on the Strategic Risk Register. The first risk entry selected for review was Risk entry 10: Failure to protect the health and safety of employees and members of the public. Internal Audit has sought assurance and evidence that the controls listed on the risk register are in place and operating effectively for this risk. These controls are the basis upon which the residual risk has been scored and, as such, this review is intended to

inform the Audit & Risk Committee's review of the risk register entry. There were some areas where the controls listed for this risk were not fully evident in practice and a total of six recommendations have been made to strengthen these arrangements, including an overarching recommendation around the clarification of roles, responsibilities and expectations.

2.6 Are any changes required to the audit plan coverage, in light of the changing risk environment?

The planned coverage for 2022/23 included assurance work on the procurement of the Council's waste contract. Some initial planning work took place in relation to this but, following the decision in October 2022 to defer the re-procurement of the waste contracts to enable consideration of waste infra-structure requirements, this audit work is no longer relevant at this time. As such, it is proposed that the audit plan be amended to reallocate the remaining budget for this audit to another risk area.

It is noted that the Council's risk register includes the risk of 'Failure to deliver key services should a significant business interruption occur' as a red inherent risk and amber residual risk. There has been no internal audit coverage on this area since 2017/18 and, as such, this is suggested as an alternative area where audit coverage would be of value this year – with an audit of Business Continuity Management.

2.7 Are clients progressing audit recommendations with appropriate urgency?

Since the last progress report to Audit & Risk Committee, five audit actions have been implemented by officers. At the date of reporting, there are 13 audit actions which remain overdue for implementation – one of the overdue actions is of a 'high priority' rating but has been overdue for less than three months. See Appendix C for further details.

Table 1: Progressing the annual audit plan

KEY
Current status of assignments is shown by ●

Assignment	Budget	Actual	Not Started	Planning	Field Work Underway	Field Work Complete	Draft Report	Final Report	Control Environment	Compliance	Org Impact	Comment
Financial systems												
Debtors	15	-	●									Q4
Main accounting	15	-	●									Q4
Treasury management	12	2			●							
Housing benefit	15	0.5		●								Q4
Corporate governance and counter fraud												
9												
Risk management (consultancy support and real time assurances)	16	7			●							
Fraud risk register	15	-	●									
Key corporate controls and policies												
Contract Procedure Rules compliance	10	-	●									Q4
Social care debt recovery	12	12						●	Substantial	Satisfactory	Minor	
IT asset management	12	-		●								
Performance management	12	12					●					

Assignment	Budget	Actual	Not Started	Planning	Field Work Underway	Field Work Complete	Draft Report	Final Report	Control Environment	Compliance	Org Impact	Comment
Corporate Objective: Protecting the vulnerable												
Corporate parenting	15	14						●	Satisfactory	Satisfactory	Minor	
Care Act reforms	15	-		●								
Readiness for CQC inspections	12	-	●									
Children missing from care	10	-	●									
MiCare services	12	12						●	Good	Good	Minor	
Corporate Objective: Vibrant communities												
Safer recruitment in schools	5	4					●					
Corporate Objective: Delivering sustainable development												
Waste contract procurement	17	2		●								Suggested cancellation
Highways maintenance contract	15	-	●									
Corporate Objective: Customer focused services												
Home to school transport	15	3			●							
Taxi licensing	14	14						●	Satisfactory	Good	Moderate	
Other Assurances												
Grant claims	25	20							N/A – certification			

Assignment	Budget	Actual	Not Started	Planning	Field Work Underway	Field Work Complete	Draft Report	Final Report	Control Environment	Compliance	Org Impact	Comment
Grants – counter fraud support	5	2										
Client Support (Committee support, training, client liaison, advice/assistance, follow ups)	35	21										
Internal Audit Management & Development	31	18										
TOTAL	360	144										

Notes

At the completion of each assignment the Auditor will report on the level of assurance that can be taken from the work undertaken and the findings of that work. The table below provides an explanation of the various assurance statements that Members might expect to receive.

Compliance Assurances		
Level	Control environment assurance	Compliance assurance
Substantial ●	There are minimal control weaknesses that present very low risk to the control environment.	The control environment has substantially operated as intended and no, or only minor, errors have been detected.
Good ●	There are minor control weaknesses that present low risk to the control environment.	The control environment has largely operated as intended although some errors have been detected.
Satisfactory ●	There are some control weaknesses that present a medium risk to the control environment.	The control environment has mainly operated as intended although errors have been detected.
Limited ●	There are significant control weaknesses that present a high risk to the control environment.	The control environment has not operated as intended. Significant errors have been detected.
No ●	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational Impact

Level		Definition
Major	●	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
Moderate	●	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
Minor	●	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.

Category of Recommendations

The Auditor prioritises recommendations to give management an indication of their importance and how urgent it is that they be implemented. By implementing recommendations made managers can mitigate risks to the achievement of service objectives for the area(s) covered by the assignment.

Priority		Impact & Timescale
High	●	Action is imperative to ensure that the objectives for the area under review are met.
Medium	●	Requires actions to avoid exposure to significant risks in achieving objectives for the area.
Low	●	Action recommended to enhance control or improve operational efficiency.

Appendix B: Rolling risk review findings

Risk for Review

Risk Register ID.	Risk	Owner
10	Failure to protect the health and safety of employees and members of the public.	Director - Places

Risk Entry Review

Areas for review	Comment/action
No Are the risks/keys controls listed still relevant and reflective of the current circumstances, based on lead officer's understanding?	The findings of the review highlight that there is an overarching recommendation to be actioned. This will allow the existing key controls to be addressed. Please see the overarching recommendation below.
Is the risk/key control description / scoring still reflective of the current environment, in the lead officer's opinion?	Strategic Risk Register was updated March 22: Inherent Score 20 (red) Residual score 6 (green)

Assurance and Findings

Key Control Reference	Key Control (from Risk Register entry)	RAG Rating (Red, Amber, Green)	Auditor Comment & Opinion
10.1	Joint Safety Committee (JSC) in place that reviews internal risk reports such as RIDDOR.	● Green	<p>Findings Terms of Reference reviewed October 2021 – evidence provided and reviewed.</p> <p>Example agenda & minutes on file – evidence provided and review.</p> <p>There is a standing item on the agenda – ‘Health & safety update of actions taken report’. This item would include any internal risk reports. The Council’s Health & safety Advisor (HSA) confirmed that there had been no internal risk reports, such as RIDDOR reports, for a significant amount of time. Evidence provided that accidents are reported to the JSC as part of this report.</p>
10.2	Contract procedure rules require contract managers to take due regard of health and safety when procuring contracts.	● Green	<p>Findings Discussion with the HSA confirmed that discussions with the commissioning team are underway to determine what documents are in place regarding health & safety. Draft checklist document is under discussion with commissioning – evidence provided and reviewed.</p> <p>Head of Commissioning and Senior Commissioning Officer confirmed that the Invitation to Tender document contains a section on health & safety for completion by the Tenderer. It was confirmed that the HSA would support managers when they conduct due diligence for contract awards – evidence provided and reviewed.</p>
10.3	Managers complete risk assessments for service activities and review annually.	● Amber	<p>Findings The Strategic Director for Places confirmed that the revised health & safety documentation, including the health & safety manual, will be approved imminently.</p> <p>The HSA confirmed that the Council continues to use historic document/templates, however, in some circumstance these are not fit for purpose.</p> <p>Completed risk assessments in 2021/22 – evidence provided and reviewed for:</p> <ul style="list-style-type: none"> • Corporate Covid 19 • Community Speed Watch • Remembrance Day Parade

			<ul style="list-style-type: none"> • Transport <p><u>Recommendation</u> Recommendation 1 - Agree, clarify and communicate risk assessment roles and responsibilities (please see the overarching health & safety roles and responsibilities recommendation at the end of this table).</p> <ul style="list-style-type: none"> • Establish whether managers are clear on their risk assessment responsibilities. If there is a requirement for further training or guidance, the HSA should deliver sessions to address this. • An annual corporate manager health & safety checklist sent out by the HSA to incorporate all statutory/regulatory health & safety duties required to be completed by Managers (for example - staff training, risk assessments)? • Completion of risk assessments across the authority to be a standing item on the Health & Safety Steering Group agenda, so to monitor and take agreed action as required. <p>Due date: 01.01.2023</p>
10.4	Mandatory health and safety training for all staff	● Amber	<p><u>Findings</u> The Council has an online training software portal that staff use to access corporate training modules. The system has the facility to provide a record of staff that have completed individual modules.</p> <p>The following are health & safety eLearning modules on the Council's platform which are available for all staff to complete:</p> <ul style="list-style-type: none"> • Introduction to Food Safety – Level 1 • Introduction to Climate Change • Introduction to Health & safety • Principles of Risk Assessment • Display Screen Equipment (DSE) • Personal Safety • Manual Handling • Control of substances Hazardous to Health • Working at Height

			<ul style="list-style-type: none"> • Office Safety • Introduction to First Aid • Fire Safety • Managing Health & safety <p>The HSA confirmed that there is no corporate health & safety training matrix.</p> <p><u>Recommendation</u> Recommendation 2 – Agree, clarify and communicate health & safety training roles and responsibilities (please see the overarching health & safety roles and responsibilities recommendation at the end of this table).</p> <ul style="list-style-type: none"> • Managers to annually advise their teams of all the eLearning training they need to complete to ensure the Council stays compliant with the regulations and monitor/manage its completion; • HR to provide managers with staff training completion records as required; • HSA to test the existing training modules to ensure they are up to date and address any issues or additional training requirements via the Health & Safety Steering Group and HR. <p>Due date: 01.07.2023</p>
10.5	Rolling programme of audits ongoing.	● Amber	<p><u>Findings</u> HSA confirmed that there is currently no rolling audit plan in place.</p> <p>HSA advisor confirmed that once the health & safety manual is approved (see 10.3), it will be launched via the communications service. Following this, the HSA will develop the rolling Health and Safety audit plan.</p> <p><u>Recommendation</u> Recommendation 3 – Internal Audit completed a Health & Safety Audit in 2021/22 (attached) with recommendations that are still outstanding.</p> <p>The Internal Audit outstanding recommendations along with all recommendations from this risk review should be completed as a priority whilst waiting for the health & safety manual to be launched and embedded across the Council.</p>

			<p>Due date: 01.04.2023</p>
10.6	Internal health & safety group set up and working.	● Amber	<p>Findings</p> <p>Health & Safety Steering Group was set up a few years ago, however, does not have a term of reference.</p> <p>The Joint Safety Committee has oversight of the Steering Group; however, this review has highlighted that the purpose of the Group remains unclear.</p> <p>The Group is chaired by the Chief Executive, with attendees from each directorate and a Union Representative. Each member of the group acts as a Health and Safety Representative for their respective directorate and should cascade information to ensure that all staff are kept updated with health & safety matters across the Council.</p> <p>Current membership is made up of:</p> <ul style="list-style-type: none"> • Chief Executive • Health & Safety Advisor (HAS) • 3 officers from Places directorate • 4 officers from People directorate • 2 officers from Resources directorate • Other officers are invited to attend if they have items on the agenda. <p>The Steering Group currently meets quarterly (remotely), however, it is planned that this will move to six monthly in 2023, this is due to lack of business/updates and low attendance. The frequency of the meeting is to form part of the terms of reference.</p> <p>Recommendations</p> <p>Recommendation 4 – In-line with the Internal Audit recommendation from the Health & Safety Internal Audit 2021/22 and to provide clarity, a term of reference is to be created for the Health & Safety Steering Group and approved via the JSC.</p> <p>Due date: 01.04.2023</p>

			<p>Recommendation 5 – Agree, clarify and communicate the Health & Safety Steering Groups members’ roles and responsibilities (please see the health & safety roles and responsibilities recommendation at the end of this table).</p> <ul style="list-style-type: none"> To ensure that all members of the Steering Group are clear on their roles and are cascading information to the staff within their respective directorates. <p>Due date: 01.07.2023</p>
10.7	Annual report to Council on Health and Safety	● Green	<p>Findings Annual Health & Safety Report was presented to Full Council in October 2021 – evidence provided and reviewed.</p>

Overarching recommendation

Following discussions with the officers, there appears to be concern that health & safety roles and responsibilities allocated to key departments/officers require defining and potentially training/guidance to ensure statutory duties can be completed in-line with the regulations.

Recommendation 6:

A report to Corporate Leadership Team to agree the roles and responsibilities of the following officers/teams and how this will work in practice corporately.

- ALL staff;
- Human Resources;
- Health & safety Advisor;
- Members of the Health & Safety Steering Group;
- Corporate Leadership Team and Senior Management; and
- Line Managers (and are equipped to carry it out/implement these statutory duties).

The development of a managerial health & safety checklist to provide support to all line managers and act as an annual reminder of their statutory duties.

RAG Rating Indicator Values & Assurances

● Red	There are significant and /or fundamental key control weaknesses that present high risk.
● Amber	There are some control weaknesses that present a medium risk.
● Green	There are minor/minimal control weaknesses that present low risk.

27

Appendix C: Implementation of Audit Recommendations

	High priority recommendations		Medium priority recommendations		Low priority recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total
Actions due and implemented since last Committee meeting	-	-	3	38%	2	22%	5	28%

Actions due within last 3 months, but <u>not implemented</u>	1	100%	3	38%	3	33%	7	39%
Actions due <u>over 3 months</u> ago, but <u>not implemented</u>	-	-	2	25%	4	44%	6	33%
Totals	1	100%	8	100%	9	100%	18	100%

Appendix D: Customer Satisfaction

At the completion of each assignment, the Auditor issues a Customer Satisfaction Questionnaire to each client with whom there was a significant engagement during the assignment. The Head of Service and the Line Manager receive a CSQ for all assignments within their areas of responsibility. The standard CSQ asks for the client's opinion of four key aspects of the assignment. The five responses received during the year to date are set out below.

Aspects of Audit Assignments	N/A	Outstanding	Good	Satisfactory	Poor
Design of Assignment	-	1	3	1	-
Communication during Assignments	-	2	3	-	-
Quality of Reporting	-	1	4	-	-
Quality of Recommendations	-	1	4	-	-
Total	-	5	14	1	-

Appendix E: Limitations and responsibilities

Limitations inherent to the internal auditor's work

Internal Audit undertakes a programme of work agreed by the Council's senior managers and approved by the Audit & Risk Committee subject to the limitations outlined below.

Opinion

Each audit assignment undertaken addresses the control objectives agreed with the relevant, responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work; were excluded from the scope of individual internal assignments; or were not brought to the consortium's attention. As a consequence, the Audit & Risk Committee should be aware that the audit opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

Internal control

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making; human error; control processes being deliberately circumvented by employees and others; management overriding controls; and unforeseeable circumstances.

Future periods

The assessment of each audit area is relevant to the time that the audit was completed in. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- the degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management; internal control and governance; and for the prevention or detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

AUDIT AND RISK COMMITTEE

6 December 2022

INTERNAL AUDIT PLAN DEVELOPMENT 2023/24

Report of the Chief Internal Auditor

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Rachel Ashley-Caunt, Chief Internal Auditor	Tel: 07799 217378 rashley-caunt@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That the Committee:

1. Notes the process to be followed to develop the risk based Audit Plan for 2023/24.
2. Highlights areas for consideration for the 2023/24 for the Audit Plan to the Chair of the Audit and Risk Committee and the Chief Internal Auditor.

1 PURPOSE OF THE REPORT

- 1.1 To inform the Committee on the process to be followed in developing the Internal Audit Plan for 2023/24. To also invite the Committee to highlight any areas where assurance is required from the Internal Audit team during the next financial year.

2 BACKGROUND AND MAIN CONSIDERATIONS

Internal Audit Plan

- 2.1 The Internal Audit Plan sets out the assignments that will be delivered by the Internal Audit team during the financial year. In accordance with the Public Sector Internal Audit Standards (PSIAS), the Audit Plan should be risk based and developed with input from senior management and the Audit Committee.

- 2.2 In order to ensure that the Audit Plan for 2023/24 addresses the Council's key risks and adds value, the Chief Internal Auditor intends to identify and prioritise the areas for coverage by:
- Reviewing the Council's Risk Registers and Corporate Plan;
 - Identifying any other sources of assurance for each of the Council's key risks, which may reduce the added value of an Internal Audit review;
 - Analysing coverage of Internal Audit reviews over the last five years and the assurance opinions provided following each review, to identify any gaps or areas where follow up work would be of value;
 - Reflecting upon outcomes of audit work, risk reviews and Council performance in the last year;
 - Identifying any areas of the Audit Universe which have not been subject to Internal Audit review during the last four years; and
 - Seeking input from Senior Management on key risks and emerging risk areas for the year ahead and also any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.
- 2.3 Members of the Audit and Risk Committee are invited to raise any areas where assurance from Internal Audit is sought during 2023/24 for risk assessment and prioritisation in the development of the Audit Plan.
- 2.4 The draft Audit Plan will be presented to the Audit and Risk Committee in March 2023 for final refinement and formal approval. The Plan will then remain open to ongoing review and amendment throughout the financial year to respond to any changes in risk and emerging issues.

3 CONSULTATION

- 3.1 No formal consultation required.

4 ALTERNATIVE OPTIONS

- 4.1 The Committee is asked to note the report. No alternative options are proposed.

5 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications directly arising from this report.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal Audit including approving the annual Audit Plan and satisfying itself that the plan provides assurance over the Council's control framework and key risks. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.
- 6.2 There are no legal implications arising from this report.

7 DATA

- 7.1 A Data Protection Impact Assessment (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

- 8 EQUALITY IMPACT ASSESSMENT**
- 8.1 There are no equality implications
- 9 COMMUNITY SAFETY IMPLICATIONS**
- 9.1 There are no community safety implications
- 10 HEALTH AND WELLBEING IMPLICATIONS**
- 10.1 There are no health and wellbeing implications.
- 11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**
- 11.1 The report sets out the process to be applied in developing the Internal Audit Plan for 2023/24. The Committee plays an important role in the oversight of Internal Audit work.
- 12 BACKGROUND PAPERS**
- 12.1 There are no additional background papers to the report
- 13 APPENDICES**
- 13.1 None

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