

Report to Audit Committee

Progress update on Audit Opinion Reports contributing to the 2024/25 Limited Assurance Annual Audit Opinion

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services & Sustainability

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Reason for Decision

The Audit Committee's Terms of Reference state that:

4.4.2 The Audit Committee shall:

- a) be responsible for oversight of the Council's Internal Audit arrangements and will;***
- (ii) review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary;***

This report provides Members with an update on progress against the action plans and recommendations contained within those audit opinion reports contributing towards the 2024/25 annual audit opinion of Limited Assurance. This report, in combination with:

- Quarterly progress reports on Internal Audit progress.
 - The Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2024/25.
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Assists the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, which form part of the Council's Constitution.

Executive Summary

At the Audit Committee meeting of 23rd July 2025, Members were presented with the Head of Audit and Counter Fraud's Annual Report and Opinion for 2024/25. This report made reference to a number of individual audit reports for that year which, in combination, contributed towards the overall Annual Audit Opinion that the systems of Governance and Internal Control in place during 2024/25 provided Limited Assurance to the Council that they were effective in assisting the Authority to achieve its organisational goals and objectives.

The reports reproduced in the attached appendices are provided to update Members on progress against the action plans and recommendations arising. The reports have been edited to remove the following in line with Data Protection and Confidentiality requirements in order to protect the Council, its staff, partners, contractors and clients from potential harm.

- Personal details of staff graded below Head of Service level.
- Personal details of clients and service users which may be used to identify them in contravention of the requirements of the Data Protection Act.
- Details relating to contractual arrangements with the Council's partners and providers.

With the exception of the removal of personal details of staff graded below Head of Service, the details removed relate to examples cited in the body of the reports intended to illustrate and support the recommendations made to Service Departments.

Removal of these details does not affect the findings or recommendations contained in the attached reports, and these are reproduced in full.

The IT related reports are included in the private part of the agenda due to the risk presented by dissemination of the information in connection with the weaknesses in internal control identified within these reports which could be used to enable more effective fraud, theft, or other forms of harm or disruption to the Council, its staff, its partners, contractors or service users.

The reports attached as appendices are:

Appendix 1a - Summary of progress on audit report recommendations

Appendix 1b – Summary of progress on IT audit report recommendations

Appendix 2 - Delegated Reports Review

Appendix 3 - Contract Register Review

Appendix 4 - Recruitment, Selection, and Disciplinary Policies and Procedures Review

Appendix 5 - Corporate Performance Management Review

Appendix 6 - Debt Recovery Review

Appendix 7 – 2024/25 Payroll FFS Review

Appendix 8 – 2024/25 Children's Social Care FFS Review

Appendix 9 – 2024/25 Residential Care Payments FFS Review

Appendix 10 – 2024/25 Direct Payments and Community Homecare FFS Review

Appendix 11 – IT Asset Management Review (RESTRICTED)

Appendix 12 – Cloud Service Management Review (RESTRICTED)

Appendix 13 – IT Supplier Management Review (RESTRICTED)

Of the 100 recommendations contained within the attached reports and actions plans:

- 43 recommendations are reported by Management as complete.
- 54 recommendations are reported by management as being in progress.
- Of the recommendations in progress, 41 are reported by Management as subject to slippage and Management have proposed revised implementation dates.
- Three recommendations were not agreed by the services concerned and will not be taken forward. Two recommendations are Low priority and made in order to help improve management information available to the service, not to address internal control weaknesses. The Service concerned reports that alternative management information resources are available in this area. The Audit and Counter Fraud Service are, therefore, satisfied with Management's response to these two recommendations. The third recommendation is a High priority recommendation concerning retrospective disciplinary case review. The Service concerned has responded that, with limited resources available, they intend to focus available resources on current and future disciplinary cases. The Audit and Counter fraud Service are satisfied that allocation of resources to ongoing and future cases represents a reasonable prioritisation of resources in this instance.

In Appendices 1a and 1b, where revised implementation dates are "greyed out" in the attached tables this signifies that the original implementation date has not been revised by the service.

Recommendation

Members are requested to consider the Audit Reports reproduced in the attached appendices.
