

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Report of:</b>	<b>Assistant Director, Audit &amp; Risk Management</b>
<b>Date of Meeting:</b>	<b>28<sup>th</sup> June 2023</b>
<b>Subject:</b>	<b>Birmingham Audit Annual Report 2022/23</b>
<b>Wards Affected:</b>	<b>All</b>

## **1. PURPOSE OF REPORT**

- 1.1 This report is the culmination of the work completed during the course of the year and provides an objective opinion on the adequacy and effectiveness of the systems of internal control for the financial year ending March 2023. It summarises the internal audit work completed, the sources of assurance that are being relied upon, and highlights significant issues that have arisen. It provides Members with information on inputs, outputs and performance measures in relation to the provision of the internal audit service during 2022/23, and compliance with the requirements set out in the Public Sector Internal Audit Standards (PSIAS).
- 1.2 The report also provides members with an update on the 2023/24 audit plan.
- 1.3 It also sets out the Internal Audit Charter for 2023/24.

## **2. EXECUTIVE SUMMARY**

- 2.1 The Council has faced ongoing challenges during the year, including the replacement of its corporate ERP solution, used to support key business processes, e.g., payroll, account payable, accounts receivable, general ledger etc, with Oracle. This was a significant undertaking, whilst it is not unusual for such large projects to encounter initially difficulties, the transition has introduced challenges across these key financial activities.
- 2.2 I am required to provide an opinion on the systems of internal control, this opinion is based on professional judgement and draws on the audit work completed and assurance provided from other parties and processes. For 2022/23 I can only provide limited assurance on the system of internal controls. Our review of financial processes was constrained by system access issues and incomplete financial records following the implementation of the new ERP system. The Council is aware of the issues and has established a stabilisation task force, escalation process, and governance structure.

2.3 During the year Birmingham Audit has complied with the requirements laid out within mandatory professional standards. The external review, completed in December 2022 confirmed that we 'conform' with the requirements.

2.4 The Internal Audit plan was agreed by members at the March meeting. The plan is dynamic and will be reviewed and updated throughout the year, based on discussions, feedback received, and emerging issues and risk to ensure our work is appropriately targeted.

2.5 The Internal Audit Charter is a key document that sets out the purpose, authority, and responsibility of the internal audit function.

### **3. RECOMMENDATIONS**

3.1 Members accept this report and the annual assurance opinion for 2022/23.

3.2 Note the additional information provided with the 2023/24 internal audit plan and identify any additional risk for inclusion in the ongoing planning process.

3.3 Members approve the 2023/24 Internal Audit Charter.

### **4. LEGAL AND RESOURCE IMPLICATIONS**

4.1 The Internal Audit service is undertaken in accordance with the requirements of section 151 of the Local Government Act and the requirements of the Accounts and Audit Regulations 2015.

4.2 The Internal Audit service has complied with the requirements laid out in the Public Sector Internal Audit Standards.

4.3 The work is carried out within the approved budget.

### **5. RISK MANAGEMENT & EQUALITY ANALYSIS ISSUES**

5.1 Risk Management is an important part of the internal control framework and an assessment of risk is a key factor in the determination of the Internal Audit plan.

5.2 Equality Analysis has been undertaken on all strategies, policies, functions, and services used within Birmingham Audit

**6. COMPLIANCE ISSUES**

6.1 Council policies, plans, and strategies have been complied with.

**Sarah Dunlavey**  
**Assistant Director, Audit & Risk Management**

**Contact officer: Sarah Dunlavey, Assistant Director, Audit & Risk Management**  
**E-mail address: [sarah\\_dunlavey@birmingham.gov.uk](mailto:sarah_dunlavey@birmingham.gov.uk)**

# Birmingham Audit Annual Report 2022/23

---

28<sup>th</sup> June 2022

## Contents

1. Background
2. Assurance Opinion
3. Added Value
4. Quality, Performance & Customer Feedback
5. Corporate Fraud
6. Internal Audit Charter
7. Internal Audit Plan
9. Grant Certification

**Appendix A: Summary of Significant Findings and Work on the Main Financial Systems**

**Appendix B: Reports Issued During 2022/23**

**Appendix C: Internal Audit Charter 2023/24**

**Appendix D: Internal Audit Plan 2023/24**

## **1. Background**

- 1.1 The 2022/23 audit plan was prepared in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS). It also took account of responsibilities under section 151 of the Local Government Act 1972.
- 1.2 The Council has faced ongoing challenges, including:
- the city is growing rapidly, increasing the pressure on the housing supply, and the need for affordable housing;
  - tackling the breadth of issues caused by the pandemic;
  - the need to reform services;
  - the ambition to tackle climate change, to improve air quality and the natural environment; and
  - the replacement of its corporate ERP solution, used to support key business processes, e.g. payroll, accounts payable, accounts receivable, general ledger etc, with Oracle. This was a significant undertaking, whilst it is not unusual for such large projects to encounter initial difficulties, the transition has introduced a number of challenges across these key financial activities.
- 1.3 This has been against a backdrop of global Inflation and economic pressures. These pressures continue to drive the need to transform the Council and service improvement to ensure the successful delivery of services to the citizens of Birmingham.

## **2. Assurance Opinion**

- 2.1 The audit plan is prepared and delivered to enable me to provide an independent opinion on the adequacy and effectiveness of the systems of internal control in place (comprising of risk management, corporate governance, and financial control). My opinion forms part of the Annual Governance Statement (AGS), which the Council is legally required to produce.
- 2.2 As my opinion is based on professional judgement, backed up by sample testing, I can only ever provide, at best, reasonable assurance. No process can provide an absolute assurance that the systems of internal control are adequate and effective in managing risk and meeting the Council's objectives. If serious issues are identified in the course of our work that have, or could have, prevented objectives to be met, then my opinion may be qualified.

- 2.3 Our work is carried out to assist in improving control. Management is responsible for developing and maintaining an internal control framework. This framework is designed to ensure that the Council's resources are utilised efficiently and effectively; risks in meeting service objectives are identified and properly managed; and corporate policies, rules and procedures are adequate, effective and are being complied with.
- 2.4 The model used to formulate the end of year opinion places reliance on assurance provided from other parties and processes. This enables a broader coverage of risks and ensures that the totality of the audit, inspection and control functions deployed across the organisation are properly considered in arriving at the overall opinion. The model is an evolving one which changes from time to time as the intelligence we collect on sources of assurance develops.
- 2.5 For 2022/23 I can only provide limited assurance on the system of internal controls. Our review of financial processes was constrained by system access issues and incomplete financial records following the implementation of the new ERP system. The Council is aware of the issues and has established a stabilisation task force, escalation process, and governance structure.
- 2.6 Whilst our work across other areas did identify other issues these have been reported to the appropriate Director during the year. A summary of the significant findings from our work (including the main financial systems), is included as Appendix A.
- 2.7 The Statement of Accounts for the year ending 31st March 2021 and 31<sup>st</sup> March 2022 are still in draft, as the audit has not yet been completed by the Council's External Auditor, their work so far is indicating unqualified opinions.
- 2.8 Under the new National Audit Office Code of Audit Practice the external auditors are required to assess the delivery of Value for Money against criteria covering Financial Sustainability, Governance, and Economy, Efficiency and Effectiveness and produce a more extensive report in the form of the Auditors Annual Report (AAR). The Council's External Auditor has yet to issue their AAR for the year ending 31<sup>st</sup> March 2022.

### **3. Added Value**

3.1 Although my primary responsibility is to give an annual assurance opinion, I am also aware that for the Internal Audit service to be valued by the organisation it needs to do much more than that. There needs to be a firm focus on assisting the organisation to meet its aims and objectives and on working in an innovative and collaborative way with managers to help identify new ways of working that will bring about service improvements and deliver efficiencies. Examples of how we have done this during the year include:

- Continuing to attend, chair, and contribute to schools working groups within the Children and Families Directorate.
- Working with Digital Technology Services (DTS) on the use of data and the revised technology platform.
- Working with Revenues to validate Single Person Discounts and liabilities.
- Working with Directorates to undertake external grant assurance and certification work.
- Working with the police to prevent and detect cross boundary crime.
- Working with the Children's Trust to deliver grant/funding certifications for Troubled Families and National Assessment and Accreditation Systems (NAAS).
- Contributing to the management of Cyber risks, through participation at the Cyber Security Programme Board.
- Contributing to the Information Assurance Boards
- Continuing to participation in the management of data breaches and ensuring that recommendations have been acted upon.

### **4. Quality, Performance & Customer Feedback**

4.1 Under the Accounts and Audit Regulations the Council must maintain an effective system of internal audit to evaluate its risk management, control, and governance processes. Internal Audit must comply with the requirements laid out in the Public Sector Internal Audit Standards (PSIAS).

4.2 The PSIAS sets out the fundamental requirements for the professional practice of internal auditing within the public sector. The Standards encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). The standards seek to secure a professional, independent, and objective internal audit service. The Standards also require a compliance review to be completed by an independent, appropriately qualified, reviewer from outside of the organisation at least every 5 years.

### 4.3 **Quality Assurance**

- 4.3.1 The provision of a quality service continues to be important. In line with the requirements of the PSIAS a Quality Assurance and Improvement Programme (QAIP) has been developed. The programme requires both internal and external assessments of internal audit effectiveness to be undertaken to ensure compliance with PSIAS; internal quality standards; that the service is efficient, effective and continuously improving; and that the service adds value and assists the organisation in meeting its objectives.
- 4.3.2 Our external PSIAS review was completed in December 2022 and reported to Audit Committee. Overall, this independent assessment found that the self-assessment, evidence provided, and interviews with staff confirmed that Birmingham Audit 'conforms' with the standards. Compliance with the standards is considered to provide a strong platform on which our ambitions can be realised, and a strategy and structure developed that enables the service to be even more proactive, risk focused, influential, and effective in supporting the assurance arrangements for the Council. The review identified recommendations to help in driving the Internal Audit Service forward. As a result the Audit planning methodology has been updated, a project commenced to replace the existing audit management systems, and the Corporate Assurance Framework has recently been updated.
- 4.3.3 During the year, we retained our accreditation to the internationally recognised information security standard ISO27001:2013. Additional, internal quality audits on our ISO processes have been undertaken, most recently in April 2023. As in previous years, only minor issues were identified; actions have been taken to correct these.

### 4.4 **Inputs**

- 4.4.1 The 2022/23 internal audit plan contained 4416 productive days. During the year 4034 days were delivered. The variance between planned and actual days has mainly arisen due to a vacancy. Attempts to recruit to this vacancy have proven unsuccessful, with campaigns falling to attract applications from candidates with sufficient skills and experience.

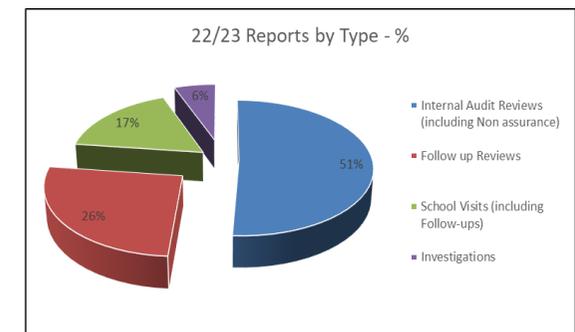
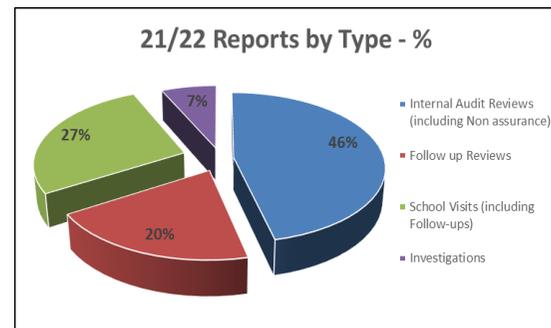
4.4.2 The actual days delivered in 2022/23 compared to those planned is detailed in the table below:

	22/23				
	Planned		Actual		Variance
<b>Number of Audit Days in the annual plan</b>	<b>100%</b>	<b>4416</b>	<b>100%</b>	<b>4034</b>	<b>(382)</b>
Main financial systems	16%	705	14%	569	(136)
Business controls assurance	39%	1745	36%	1444	(301)
Investigations	19%	830	19%	757	(73)
Schools (Non-Visits)	1%	27	1%	20	(7)
Schools (Visits)	12%	540	12%	504	(36)
Follow up work	4%	175	6%	230	55
Ad-hoc work	6%	259	8%	323	64
Planning & reporting	3%	130	4%	187	57
City initiatives	0%	5	0%	0	(5)

#### 4.5 Outputs

4.5.1 During the year we issued 202 final reports, containing 1218 recommendations. For comparison purposes, during 2021/22 we issued 192 final reports containing 1339 recommendations.

Reports by Type	21/22	22/23
Internal Audit Reviews	89	82
Follow-up Reviews	38	40
School Visits (including Follow-ups)	52	66
Investigations	13	14
<b>Total</b>	<b>192</b>	<b>202</b>

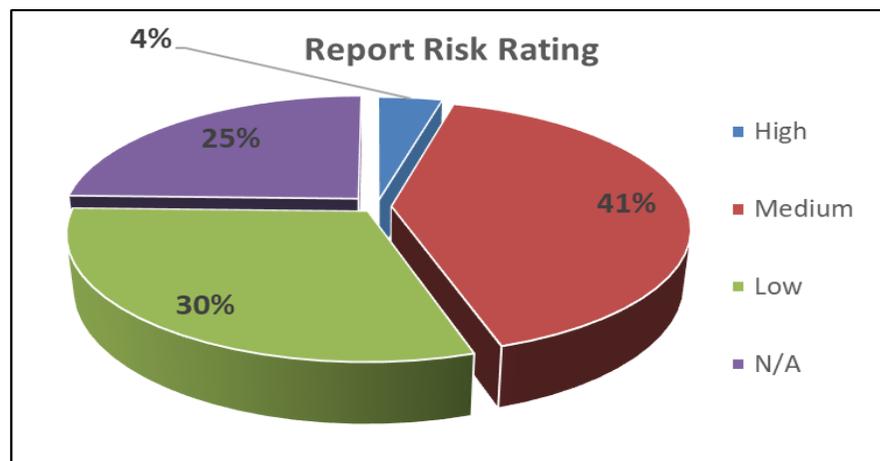


A full list of the audit reports issued, together with risk and assurance ratings, during the year is detailed in Appendix B.

4.5.2 Audit and follow up reports are given a risk rating of 1 - 3 to assist in the identification of the level of corporate importance. The key to the ratings given is:

1. Low (Green) - Non-material issues
2. Medium (Amber) - High importance to the business area the report relates to, requiring prompt management attention. Not of corporate significance
3. High (Red) - Matters which in our view are of high corporate importance, high financial materiality, significant reputation risk, likelihood of generating adverse media attention or of potential of interest to Members etc.

4.5.3 Of the 122 reports (82 Internal Audit and 40 Follow-up reviews) issued during the year, 5 were given a high-level rating, 50 had a medium level rating, 37 had a low rating, and 30 related to non-assurance / progress review work.



4.5.4 On a monthly basis a list of all final reports issued, together with their risk rating, is sent to Members of the Audit Committee, Cabinet and the Corporate Leadership Team. Under the agreed protocol, Members can request to see a copy of any report.

#### 4.6 Performance and Customer Feedback

4.6.1 As at 31st March 2023 we had completed 95% of planned jobs to draft report stage, against an annual target of 95%.

4.6.2 Throughout the year we have sought feedback from our customers by attending management teams and capturing comments via our ISO processes.

4.6.3 Both internal and external customers continue to provide positive feedback on the services provided, examples include:

*'..... wanted me to pass on his thanks to you all for your support with the latest round of suspected fraudulent applications.....'.*

*'Thank you both for your support, this is gratefully appreciated.....'.*

*'..... you have been an absolute star to help us get through this, especially with the number of claims.....'.*

4.6.4 During the year Post Audit Evaluation Questionnaires (AEQ) have been issued with final audit reports. 30 AEQ's have been returned for work completed during 2022/23, the results are summarised in the table below:

Question	Audit Reviews				School Audits				Investigations				Total	
	No. of Responses	Highest Score	Lowest Score	Avg. Score	No. of Responses	Highest Score	Lowest Score	Avg. Score	No. of Responses	Highest Score	Lowest Score	Avg. Score	No. of Responses	Avg. Score
The audit / investigation was undertaken professionally and objectively?	17	5	4	4.9	7	5	4	4.9	6	5	5	5	30	4.93
The final report was clear, concise and was issued in a timely manner?	17	5	3	4.7	7	5	4	4.9	6	5	5	5	30	4.86
Recommendations were constructive, insightful and support the management of risk / assist in resolving the issue?	17	5	4	4.6	7	5	4	4.9	6	5	4	4.7	30	4.73
Overall evaluation of the independent assurance provided / investigation and value to your business area?	17	5	4	4.7	7	5	4	4.7	6	5	4	4.8	30	4.73

Each question is scored: Strongly Agree/Very Good 5, Agree/Good 4, Satisfactory 3, Disagree/poor 2, Strongly Disagree/Very poor 1

4.6.5 The table demonstrates that everyone returning a questionnaire valued the audit or investigation and the support and insight provided.

## 5. Corporate Fraud Team

5.1 In common with other public bodies, the Council has a duty to protect the public purse. The Corporate Fraud Team (CFT) is responsible for the investigation of financial irregularities perpetrated against the Council, whether this is by employees, contractors or other third parties. The Team identify how fraud or other irregularity has been committed and make recommendations to management to address any issues of misconduct, as well as reporting on any weaknesses in controls to reduce the chance of recurrence in the future. A sub-team within CFT is established to specifically tackle 'application based' fraud, primarily related to Social Housing and Council Tax. The work of the Team is prioritised on a materiality basis, as well as putting greater emphasis on proactive work to try and identify and stop fraud and error. We are continually looking to enhance our counter fraud capability and develop new and innovative ways of identifying irregularities, whether this is the result of fraud, error, or procedural non-compliance. We are continuing to develop analytical tests designed to detect fraud and error.

5.2 The table below summarises the reactive investigations activity of the Team (excluding Application Fraud) during the year.

	2021/22	2022/23
Number of outstanding investigations at the beginning of the year	53	57
Number of fraud referrals received during the year	91	79
Number of cases concluded during the year	87	94
Number of investigations outstanding at the end of the year	57	42

5.3 All referrals are risk assessed to ensure that our limited resource is focused on the areas of greatest risk. We work in conjunction with managers to ensure that any referrals that are not formally investigated by us are appropriately actioned.

- 5.4 The team have carried out a number of proactive exercises utilising data analysis to identify potential anomalies as well as co-ordinating the processing of data matches derived from the National Fraud Initiative. The Team have delivered fraud awareness training and have issued various bulletins to raise awareness of fraud. During the year an on-line fraud awareness e-learning module targeted at schools was introduced. This supplements the existing fraud awareness e-learning module and shared across the Council.
- 5.5 During the year a successful prosecution was secured on a long-standing case, dating back to 2014, relating to contract bond payments. This was a complex case where we continued to work with the Police to secure an extradition order. Following extradition back to the UK the individual was charged and pleaded guilty to one count of fraud by abuse of position and another of money laundering. He was sentenced on 12th January 2023 at Birmingham Crown Court to four years and eight months imprisonment.
- 5.6 The Team have continued to work with directorate staff to implement the anti-fraud strategy for housing. This includes providing training and support to front line staff in the use of the data warehouse to verify details submitted on housing / homeless / Right to Buy applications. The results achieved by the Team are summarised below:

	<b>2021/22</b>	<b>2022/23</b>
Properties Recovered	22	30
Applications Cancelled	548	260
Council Tax Change	£336,703	£564,261
Housing Benefit Overpayment	£394,829	£384,019

- 5.7 This shows that, in addition to the obvious social benefits deriving from the work, there is also a real financial saving from preventing and / or terminating fraud.
- 5.8 Our annual fraud report will be presented to Committee Members at the September meeting.

## **6. The Internal Audit Charter**

6.1 The Public Sector Internal Audit Standards requires the purpose, authority, and responsibility of the internal audit function to be formally defined in an Internal Audit Charter. On an annual basis Members are asked to approve the Internal Audit Charter. The Charter for 2023/24 is attached as Appendix C. It sets out the objectives; framework and services delivered by Birmingham Audit, and details the relationship with the Audit Committee, our business plan objectives, the statutory requirements around our service, together with the rationale behind the annual risk-based audit plan.

## **7. Internal Audit Plan 2023/24**

7.1 The 2023/24 plan was developed following the completion of an audit risk assessment. The risk assessment involved identifying the potential auditable areas and mapping associated risks, including management opinions, first and second lines of defence where known, previous audit work, alternative sources of assurance, and the Council's strategic priorities. In undertaking this mapping exercise, we have used our knowledge and experience of the organisation as well as liaising with key stakeholders including Audit Contact Officers, Directorate Management Teams, and Directors / Assistant Directors.

7.2 The audit plan was approved by Members at the March Audit Committee meeting. The 2023/24 plan contains 3,990 days. The table below shows a summary split of audit days over the different categories of work we undertake, based on our initial risk assessment. The previous year information is given for comparison purposes.

	22/23		23/24	
	%	Days	%	Days
<b>Number of Audit Days in Annual Plan</b>	<b>100%</b>	<b>4416</b>	<b>100%</b>	<b>3990<sup>1</sup></b>
Main Financial Systems	16%	705	15%	600
Business Controls Assurance	39%	1745	28%	1115
Investigations (Fraud and Irregularity)	19%	830	9%	350 <sup>2</sup>
Fraud Awareness / Prevention			5%	200
Proactive / Compliance			4%	150
Schools (Non-Visits)	1%	27		
Schools (Visits)	12%	540	13%	540
Follow up Work	4%	175	4%	175
Ad-hoc Work / Contingency	6%	259		
Planning & Reporting	3%	130		
Partnering / Insight / Contingency			12%	470
Risk Management Facilitation			1%	50
City Initiatives / Information Requests	0%	5	1%	20
Data Analysis / Data Driven Assurance			5%	200
Chargeable/ Work for External Clients			3%	120

<sup>1</sup> Excludes vacancy

<sup>2</sup> Excludes application fraud

- 7.3 The audit plan is dynamic and will be reviewed and updated throughout the year, based on discussions, feedback received, and emerging issues and changing risks to ensure our work is appropriately targeted. Additionally the views of the Audit Committee remain important, any concerns flagged by Members will be fed into the planning process.
- 7.4 As additional planning work is undertaken we develop the scope of work to be undertaken. The audit plan has been updated to reflect this detail, Appendix D. Additionally, the reviews covering the business processes supported by Oracle have been flagged for Audit Committee Members to see the scope of proposed audit coverage.

## 8. Grant Certification

- 8.1 In addition to controls assurance reviews I am required to provide audit certificates, verifying the expenditure incurred, for a number of grants that have been awarded to the Council.

<b>Grant Certificates</b>
Troubled Families
Scambusters
Growth Hub
GBSLEP Peer Network Grant Funding
Operation Beorma Grant Certification
Public Health Grants
Local Transport Capital Grant
Children's Trust NAAS Grant

- 8.2 I have also been formally appointed as the First Level Controller for a number of European Grants. The First Level Controller is a formally appointed independent role that is required to provide a certification that the expenditure incurred under the programme is eligible and correctly accounted for.

<b>European Grants – First Level Controller</b>
USE-IT Transfer Network
Urban M – Stimulating Innovation through Collaborative Maker Spaces

## Summary of Significant Findings and our work on the Main Financial Systems

### 1. High Risk Reports

During 2022/23 we issued 4 audit reports and 1 follow-up report where we identified a 'high' risk rating for the Council. Brief details of the issues highlighted in these reports are detailed below:

**Procurement of Consultants / Interims (plus 1 high risk rated follow-up) Council Risk Rating: High Assurance: Level 4 RAG: **

Our work identified non-compliance with the procedures for engaging consultants/interims. There are a number of consultants/interims engaged that have not gone to the Commissioning Gateway Panel (CGP) for approval, procurement governance is not complied with, and key documentation was not always available. Management is developing an e-learning package, and this should help to improve compliance going forward. At the time of our follow-up review a Task and Finish Group had been established to review, streamline, and improve the process for engaging consultants and interims.

**Day Centres Council Risk Rating: High Assurance: Level 3 RAG: **

Our work identified concerns on the overall effectiveness of financial controls and operational processes across the eight Council operated Day Centres reviewed. The majority of the issues identified are occurring, to varying degrees, at each Day Centre. The broader issues are occurring, in the main, due to not having consistent and current processes and procedures in place.

**IT Procurement and Commercial Management Council Risk Rating: High Assurance: Level 3 RAG: **

Our work identified a number of issues and barriers restricting the effectiveness of IT procurement activity, this included:

- the lack of timely business engagement;
- permanent recruitment to posts; and
- the transition process from CAPITA has proved difficult, with processes and procedures not yet fully in place or aligned to corporate procedures.

We were unable to obtain sufficient evidence to demonstrate full compliance with procurement governance arrangements and legislation as information was not easily available.

Since the completion of our work, IT Procurement has been aligned with Corporate Procurement Service (CPS) with procurement activity over EU threshold being undertaken by CPS.

#### **Directorate Commissioning and Contract Management**

**Council Risk Rating: High Assurance: Level 3 RAG: ■**

This review established that the commissioning and contract management arrangements in place are not effective and may potentially be exposing the directorate to unacceptable risks. Under the current arrangements, only the major contracts are formally managed by the Commissioning and Contract Management Team.

## **2. School Visits**

Throughout 2022/23 when undertaking maintained school audits our work has considered any challenges that have occurred due to the implementation the Council's new ERP system (Oracle) and whilst we have still commented on financial issues, we have not penalised schools for any issues found that are caused by the implementation as we understand that these are out of schools' control. There was a pause in commencing new school audits between December 2022 and February 2023 in response to capacity concerns raised by schools as a result of the Oracle implementation.

We have continued to work with the Children's and Families Directorate and school colleagues to ensure we deliver robust and added value audits that respond to the financial challenges faced by schools.

Overall, there has been an improvement in the outcomes compared to previous years. Our visits are chosen through a risk-based selection methodology, so most are school facing greater financial challenges, or who have not received a routine audit visit for several years, and therefore the potential for finding areas for development and improvement is greater. Key areas identified for development were around financial governance, budget planning, financial management, purchasing, compliance with delegated framework and internet monitoring.

No significant concerns were identified from the Governor and Senior Leadership pre-audit surveys on their views on financial management within their school and if the Governing Board is fulfilling its core function. Any minor issues have been appropriately escalated and support provided.

Despite the challenges of Oracle, during the year schools have endeavoured to reconcile their accounts so that an accurate closedown can be achieved for 2022/23 whilst agreeing budget plans for the next financial year and preparing medium term financial plans. Whilst outturn for 2022/23 has yet to be confirmed, budget deficits continue to be one of the key risks for schools and the Council, there is a continued increase in schools relying on carry forward surpluses to achieve balanced budgets along with predicted deficits in future years. Schools are finding it more difficult to make further savings whilst ensuring they continue to provide a quality education.

Our follow up reviews have been successful in supporting schools improving their systems and controls, as well as placing a focus on their financial position. However, we have continued to face significant challenges in getting schools to implement our recommendations on a timely manner. We are working with the Children's and Families Directorate and School's Forum to address this challenge.

### **3. Risk Management**

The Council's Risk Management Framework, which sets out the processes for identifying, categorising, monitoring, reporting and mitigating risk at all organisational levels, has been reviewed and updated to ensure focus on the strategic direction of the Council. Strategic risks continue to be reviewed and challenged by the Corporate Leadership Team monthly to ensure they remain complete, relevant, and that mitigating actions are progressing as expected.

The Risk Champions Group, which is made up of representatives from each directorate, continue to progress updates against strategic risk actions plans and ensure that risk management arrangements are embedded at an operational level.

Advice and guidance, together with a supporting e-learning module, are available via the Council's Intranet to help embed risk management as a proactive management tool.

A project has recently been commenced in introduce a corporate risk management system to help track and monitor strategic and operational risks, together with mitigating actions, across the whole Council.

#### **4. Corporate Governance**

The highest standards of corporate governance, public accountability and transparency have a significant impact on how well an organisation meets its aims and objectives. During the year we have completed audit reviews across information governance, project Governance, and the implementation of risk management.

The Annual Governance Statement (AGS) for 2022/23 has yet to be finalised. The AGS will need to summarise the current position regarding the implementation of the Council's new Oracle ERP system.

#### **5. Main Financial Systems**

In April 2023 the Council replaced its corporate SAP ERP solution, used to support key business processes, e.g. payroll, account payable, accounts receivable, general ledger etc, with Oracle. This was a significant undertaking, whilst it is not unusual for such large projects to encounter initial difficulties, the transition has introduced a number of challenges across these key financial activities. Over the last 12 months we have responded both reactively and proactively with a number of issues and reported to the Programme Board. During the implementation phase we were unable to fully audit the risks and controls as processes were still evolving and moving to a more stable position.

##### **Financial Control / Ledger**

Our work on Financial Control / Ledger has been limited due to the impact of Oracle, we have undertaken some work around KPMG's Financial Controls Planning Framework, however we were unable to review a number of the controls as the process was unclear or related to the year-end which has yet to be done. This work is still on-going; however, our initial findings have identified weaknesses with the journal management and control accounts. An extension to the timescales for completion of Statement of Accounts for year ending March 2023 has been agreed.

The Statement of Accounts for the year ending 31<sup>st</sup> March 2021 and 2022 are still in draft, as the audit has not yet been completed by the Council's External Auditor. However, based upon their work so far, the External auditor is likely to issue an unqualified opinion. External Audit have yet to complete all of their value for money (VFM) work for year-end 31<sup>st</sup> March 2022 and are not in a position to issue their Auditors' Annual Report, as part of this work they consider whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources, for which they identified the following risks:

- Legacy of Commonwealth Games
- Contractual arrangements relating to the highways PFI scheme
- Home to School Transport Service
- Housing demand
- SEND

The External Auditors work is underway on these risks, as well as action undertaken in response to their recommendations from the 2020/21 Annual Auditor's Report and in particular those relating to the implementation of Oracle, given its bearing on the financial statements audit, as well as forming part of their consideration of the Council's arrangements to ensure value for money.

## **Payroll and People Services**

### **Payroll**

Payroll costs represents a significant revenue spend for the Council. Significant levels of data and payments are managed and processed through the Council's payroll, therefore effective and efficient systems are needed for the council to pay employees accurately and on a timely basis in line with statutory, regulatory, and other obligations. In order for staff to be paid accurately, reliance is upon managers and employers to update payroll/People Services of any changes (starters, leavers, transfers, changes to pay) in a timely manner to avoid under and overpayments. Corporate payroll covers the payment of salaries to all Council employees, including casuals and schools' staff, as well as Members and pensioners. In addition, external payroll services are sold to some Academies, Charities, and outside organisations.

Following the implementation of Oracle, we identified standby payments that had been paid in error. However, improvements have been made within business areas and Payroll to prevent further errors occurring. The risk and value in terms of standby payments are relatively low; the total number of employees receiving standby payments each year is around 200. Due to the security model Corporate Payroll were unable to process the backdated pay awards for November 2022 (NJC) and December 2022 (JNC/teachers) for some employees. The allocation of the award failed for anyone who had received an in-year contract change, for example, acting up, honoraria etc. For the errors to be cleared and ensure everyone received payment, there was a need for payroll to make the adjustments. This meant giving payroll

temporary access to an otherwise People Services role. We verified that the role was activated and deactivated and only the authorised adjustment made.

Our data analysis work did not identify any employees who were marked as a leaver on SAP and brought over to Oracle as a live employee during the migration exercise.

Work is still undertaking work on potential salary overpayments. However, the payroll overpayment detection report within Oracle is now working. Shortly after the system went live a large salary overpayment occurred due to an employee being paid their annual net salary in a single payment. This occurred due to:

- Oracle not initially recognising annualised hours;
- validation controls within Oracle not in place;
- managers not having access to financial or People Solution reports directly;
- testing not detecting the issue within the solution; and
- payroll pressures during the initial implementation.

Additionally, our work on casual workers identified that pre-employment documentation was not being uploaded by managers and the bulk upload facility was not operating. We have received assurance that this has now been resolved with People Services taking responsibility and not relying on local managers.

Due to Oracle reporting issues our work on starters and leavers for both schools and non-schools is still being finalised.

### **Accounts Payable (AP)**

The Accounts Payable (AP) team is responsible for the payment to suppliers for goods and services ordered by directorates and the transactional processing of other payments e.g., foster payments, One Time Payments etc. They are also responsible for the administration of payment cards. Various processes and controls are in place to ensure that the council discharges its responsibilities for payments.

We undertook an analysis of urgent payments across SAP and Oracle that were processed during the go live period. Our matching did not identify any duplicate payments.

There has been a low take up from Suppliers to register onto the portal limiting the realisation of the expected benefits. Checks to prevent attempted fraudulent activity involving improper supplier detail changes, including bank accounts and email addresses, continue to be completed and have prevented attempted fraudulent activity.

The delegation process in Oracle works differently to the previous solution in that approval roles and authority limits do not have to be requested and pre-set as they are automatically assigned via the delegation process. There was no leavers report being generated so that appropriate checks on access and outstanding workflows could take place to ensure workflow items are cleared or reassigned.

Onetime payment requests is an area of high risk. We found that the workflow process for these payments was not operating correctly so the required compliance checks were not being completed. The workflow has now been rectified. Any payments with no supporting attachments will now be rejected. We are in the process of completing a follow up and are undertaking a proactive analysis.

## **Procurement**

Our review on Home to School Transport – Strategic Review identified that the service delivery model of transporting significant numbers of children using contracted transport providers is unsustainable. Unless the service finds ways to address demand and there is a fundamental shift to providing alternative, more sustainable and affordable modes of transport, that can still meet children's needs, costs will almost certainly continue to rise. Management was aware of these issues and was actively looking to address them through change programmes across the service.

Our follow-up review of the Engagement of Consultants and Interims audit identified that the recommendations from the previous audit had not yet been implemented, and therefore the risk of non-compliance with approval processes, procurement governance and legislation remain. However, at the time of this audit a Task and Finish Group had been established to review, streamline and improve the process for engaging consultants and interims. Management intended to implement the recommendations as part of this review.

We undertook a follow-up review of Flexible Learning - Commissioning and Payment Monitoring Arrangements. We identified that the Exclusions Team no longer commission Flexible Learning to deliver day 6 provision. However, whilst this eliminated most of the risk previously identified, it did raise risks around day 6 provision, Management was making plans to address this.

Our follow-up review of Waste Management – Procurement Compliance identified that the recommendations from the previous audit had not yet been fully implemented. At the time of the audit Corporate Procurement Services had started to engage with the service area in order to devise a Procurement Plan to ensure contracts are in place where required and compliance with procurement legislation.

### **Accounts Receivable (AR)**

Due to the problems encountered with the Bank Reconciliation System (BRS) and Direct debits the automatic recovery action has been suspended with debt recovery action being progressed manually. Our work on Adult Social Care debts found that the management arrangement between Accounts Receivable and the directorate was in urgent need of update and agreement as debts were increasing and decisions around future structure and resources needed. We understand due to Oracle issues was delay but is now being revisiting.

### **Benefits Service**

The Benefit Service is responsible for the administration and payment of Housing Benefit (HB) and Council Tax Support (CTS). Housing benefit payments are returned to the Council through the subsidy grant. The subsidy claim must be accurate as a 1% error could cost the Council £5.33m reduction from Government. The Housing benefit caseload has seen a steady decrease over the last years. This decrease is due to the introduction of Universal Credit which replaces means tested benefits for working age people, one of which is Housing Benefit. Housing Benefit Overpayments (HBOs) have seen a decrease, reducing from £26.02M to £22.36m between March 2022 and March 2023. HBOs for citizens migrating over to Universal Credit can no longer be recovered via Housing Benefit and must be reclaimed through Universal Credit payments. The overall level of Housing Benefit debts as at the end of March 2023 was £42.9m.

Council Tax Support (CTS) applications increased at the start of the pandemic but has been reducing steadily.

Our work on non-dependants identified that in relation to housing benefit claims identified that no reviews for nil income non-dependants have not been carried out since May 2021. This was due to resources being prioritising on urgent work as identified in the continuity plan established during the COVID pandemic and the ongoing back log in usual work. The funds and provisions in place for the Local Welfare Provision (LWP) awards were being regularly monitored and effectively managed by the Benefit Service. LWP remains at a high level, between 250-400% higher than pre pandemic.

### **Council Tax & Non-Domestic Rates**

Council Tax is one of the ways the Council receives money to provide local services. The amount paid is based upon the value of the property. In 2022/23 properties with a full year liability were raised totalling £492.2m with a year-end collection target of £456.3m (92.75%). The total amount collected as at 31/03/23 was £443.8m (90.16%).

Non-domestic rates, or business rates, collected by Local Authorities are the way that those who occupy a non-domestic property contribute towards the cost of local services. Apart from properties that are exempt from business rates, each has a rateable value (RV) which is set by the Valuation Office Agency. There are various exemptions and reliefs that can be applied to empty properties, charities, and small businesses. In 2022/23 an annual liability of £424.3m was raised against properties with a year-end collection target of £394.6m (93%). The total amount collected as at 31/03/22 was £382.7m (90.07%).

The Oracle migration has caused significant issues for the Revenues service which resulted in no recovery activity taking place until January 2023. This was detrimental to the collection rates. As a result, regular reviews recovery and enforcement levels had not been carried out.

Our testing found that mandatory and the funded discretionary rebates due to utility price rise have been made in accordance with Government guidance.

### **Rents**

At the end of March 2023 there were 55,111 city tenancies with 18,893 arrears cases (34.28%) including those in receipt of Universal Credit. Rent accounts in receipt of Universal Credit equate to 23,526 accounts totalling approximately £10.3m (57% of the total arrears figure). The current tenancy arrears at the end of March 2023 were approximately £18.1m.

Oracle is still causing issues for the Rent Service in respect of both the suspense account and credit refunds. This is included on their Risk Register.

We undertook a piece of work on the overall debt management arrangements. A decision was taken at the end of March 2020 to “switch off” the automated escalation process, by the then Managing Director of Housing, due to the covid pandemic. This automated was re-instated on a staggered basis from December 2022. Manual action is being taken to manage debts and ensure the correct escalation levels are assigned. However, it will take time to recovery from the current position and re-establish processes.

## 6. Information Governance / Technology (IT) Issues

It has been a challenging period due to:

- providing support to Oracle issues and not being able to review a steady state system;
- having to postpone work due to resources being involved with Oracle and during the Digital and Technology Services Shaping the Future transformation.

Despite the unique circumstances of the past year we have continued to provide assurance and insight on key Digital and Information issues, including:

- supporting the Lessons Learnt of the Oracle implementation;
- reporting our work to the Information Assurance Board;
- playing an active role in the Data Breach Panel; and
- maintaining regular contact with the Cyber Security Programme and Programmes and Projects.

Our Oracle Project Assurance Review, completed prior to go live, identified that the Programme had benefited from the reset in 2021 and the revised programme management structure. Although the governance arrangements for delivering the programme were considered adequate, a number of key risks, to be addressed pre and post go live, were identified. These included:

- The pace of the delivering the outstanding issues.

- Reporting in respect of governance, risk and controls.
- Issues with school's engagement and readiness.
- The segregation of duties matrix.
- Reporting security.
- Privileged access, role-based access for IT and user needs.

An Oracle Fusion Segregation of Duties (SoD) review undertaken through KPMG, flagged potential areas of risks. KPMG flagged a number of risks and inter and intra role conflicts. Oracle Risk Management Cloud is being implemented and will be used to identify risk areas for remediation.

Key findings from our other work include:

- Data governance improvements are required within Directorates, in particular responding to Freedom of Information and Subject Access Requests, embedding Data Protection Impact Assessments, the maintenance of information asset register, and the regular review of Data processing and sharing agreements.
- As a result of our work a project to comply with the Data Classification policy has been initiated.
- IT applications continue to be managed on an effective basis but there is a need to ensure that movers and leavers are processed on a timely basis.
- Changes to the governance of projects will improve timely delivery.

**Final Reports Issued During 2022/23**
**Audit Reviews (82 Reports):**

Key to Council priorities and nature of assurance provided.

Outcomes

1. Birmingham is an entrepreneurial city to learn, work and invest in.
2. Birmingham is an aspirational city to grow up in.
3. Birmingham is a fulfilling city to age well in.
4. Birmingham is a great city to live in.
5. Birmingham residents gain the maximum benefit from hosting the Commonwealth Games.
6. Birmingham is a city that takes a leading role in tackling climate change.

Assurance Type

7. Good Governance.
8. Strategic Risk.
9. Financial Assurance.
10. Business Control Assurance.

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10.
Procurement of Consultants/ Interims	High	Level 4	R	✓				✓		✓		✓	✓
Day Centres	High	Level 3	R		✓					✓		✓	✓
IT Procurement and Commercial Management	High	Level 3	R				✓			✓		✓	✓
Directorate Commissioning and Contract Management	High	Level 3	R	✓						✓		✓	✓
Non-School Properties on Education Land	Medium	Level 4	Y		✓		✓			✓		✓	✓
Placements - Supported Living	Medium	Level 3	Y		✓	✓				✓			✓
Assessment and Support Planning	Medium	Level 3	Y		✓	✓				✓			✓
ERP Project Assurance	Medium	Level 3	Y							✓		✓	✓
IT Applications – JADU	Medium	Level 3	Y		✓	✓	✓			✓		✓	✓
Young People's Participation in Education and Training	Medium	Level 3	Y		✓	✓				✓			✓
Anti-Social Behaviour and Domestic Abuse	Medium	Level 3	Y			✓				✓			✓
Bereavement Services	Medium	Level 3	Y				✓			✓			✓
Council Tax - Recovery & Enforcement levels	Medium	Level 3	Y			✓	✓					✓	✓

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10.
Financial Control Review	Medium	Level 3		✓	✓	✓	✓	✓	✓			✓	
Public Health - Compliance with NICE - National Requirements	Medium	Level 3			✓	✓	✓			✓			✓
Publication of Contract Awards	Medium	Level 3		✓			✓			✓		✓	✓
Tenant Management Organisations	Medium	Level 3			✓	✓	✓					✓	✓
Dispersed Temporary Accommodation Properties - Void Management	Medium	Level 3			✓	✓	✓					✓	✓
Council Tax - Duplication of Payment File	Medium	Level 3			✓	✓	✓					✓	✓
Directorate Safeguarding Review	Medium	Level 3		✓	✓	✓	✓			✓			✓
Enablement and Home Care	Medium	Level 3			✓	✓	✓			✓			✓
Access Control to Properties	Medium	Level 3			✓					✓			✓
Markets	Medium	Level 3					✓			✓			✓
Impulse	Medium	Level 3			✓	✓	✓			✓			✓
Fleet Services - External Review	Medium	Level 3		✓						✓			✓
NNDR - Enforcement Stages	Medium	Level 3			✓	✓	✓					✓	✓
Business Continuity	Medium	Level 3		✓	✓	✓	✓			✓			✓
Public Health - Compliance with Nice Requirements	Medium	Level 3		✓	✓	✓	✓			✓			
Placements - 'Discharge to Assess'	Medium	Level 3				✓	✓			✓		✓	✓
DFG - Compliance with procedures for payments more than £30k	Medium	Level 3			✓					✓		✓	✓
Waste Management - Performance Reporting	Medium	Level 3		✓	✓	✓	✓	✓	✓	✓			✓
GDPR Compliance - City Housing	Medium	Level 2					✓			✓			✓
Accounts Receivable - Management of Adult Social Care Debt	Medium	Level 2				✓	✓					✓	✓
IT Asset Management	Medium	Level 2		✓						✓			✓

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10.
Information Governance - Data Breach Travel Assist	Medium	Level 2	Yellow		✓	✓	✓			✓			✓
IT Projects – Printing	Medium	Level 2	Yellow	✓						✓			✓
IT Projects - Insight (Data Programme)	Medium	Level 2	Yellow	✓	✓	✓	✓	✓	✓	✓			✓
Document Management 360 (DM360)	Medium	Level 2	Yellow		✓	✓	✓						✓
IT Operations	Medium	Level 2	Yellow	✓	✓	✓	✓	✓	✓	✓			✓
NDR Charity Relief - Mandatory & Discretionary	Medium	Level 2	Yellow	✓								✓	✓
Information Governance GDPR Compliance	Medium	Level 2	Yellow	✓	✓	✓	✓	✓	✓	✓			✓
Rents - Management of Rent Arrears	Medium	Level 2	Yellow	✓	✓	✓	✓			✓		✓	✓
Procurement / Accounts Payable Supplier Portal	Medium	Level 2	Yellow	✓						✓		✓	
Deprivation of Liberty Safeguards	Medium	Level 2	Yellow		✓	✓	✓			✓			✓
Schools Themed Work – Income	Low	Level 3	Green		✓		✓			✓			✓
CIPFA Financial Management Code	Low	Level 3	Green	✓	✓	✓	✓	✓	✓			✓	
Asset Management - Non HRA property transactions	Low	Level 3	Green		✓	✓	✓						✓
Corporate Payroll - Overpayment, change in employee hours	Low	Level 3	Green	✓								✓	
Public Health - Procurement Contract Management	Low	Level 3	Green		✓	✓	✓			✓			✓
Social Value	Low	Level 3	Green	✓	✓	✓	✓	✓	✓	✓			✓
Commonwealth Games - Risk and Issue Management	Low	Level 2	Green						✓	✓			✓
Information Governance - GDPR Programme	Low	Level 2	Green		✓	✓	✓			✓			✓
AMSCI Programme Loans	Low	Level 2	Green		✓	✓	✓					✓	✓
Benefit Service - Complaints & Appeals	Low	Level 2	Green		✓	✓	✓					✓	✓
Financial Management - Public Health Grant	Low	Level 2	Green	✓	✓	✓	✓					✓	✓

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10.
IT Projects - Clean Air Zone (CAZ) Post Implementation Review	Low	Level 2							✓	✓			✓
Adult Social Care - Client Financial Services	Low	Level 2			✓	✓	✓			✓			✓
Corporate Payroll Starters and Leavers	Low	Level 2		✓								✓	✓
Council Tax - Management of deceased accounts - Probate	Low	Level 2			✓	✓	✓					✓	✓
Adult Social Care - Shared Care Record	Low	Level 2			✓	✓	✓						✓
BACS	Low	Level 2		✓								✓	
Housing Rents Variations	Low	Level 2			✓	✓	✓					✓	✓
Leisure Services - Contract Management	Low	Level 2			✓	✓	✓			✓			✓
Eclipse - Post Implementation Review	Low	Level 2			✓	✓	✓			✓			✓
Account Payable (AP) - Suppler Master Data creation and update	Low	Level 2		✓								✓	✓
MAPSS	Low	Level 2		✓	✓	✓	✓			✓			✓
NEC Housing - IT Controls	Low	Level 2			✓	✓	✓						✓
Accounts Payable - Management of workflow approvals	Low	Level 2		✓								✓	
CareFirst IT Review	Low	Level 2			✓	✓	✓			✓			✓
BACS	Low	Level 2		✓								✓	
Cyber Security Programme	Low	Level 1		✓	✓	✓	✓	✓	✓	✓			✓
Benefit Service - Citizen Access Online Claims	Low	Level 1			✓	✓	✓					✓	✓
Oracle 1B Data Analysis – Urgent payments / Leavers during migration	Low	Level 1		✓								✓	
Delivery of Corporate Programme Management Office	Low	Level 1		✓	✓	✓	✓	✓	✓	✓			✓
Benefits Service - Local Welfare Provision	Low	Level 1			✓	✓	✓					✓	✓

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10.
Council Tax - Utility Price Rise Mandatory and Discretionary Funds	Low	Level 1											
Corporate Payroll - Pay rise	Low	Level 1		✓								✓	
IT Projects - Home to School Transport 365 Lessons Learnt					✓	✓	✓			✓			✓
Payments - Supplier Reconciliation					✓	✓	✓					✓	
Property Disposals - Best Consideration					✓	✓	✓						✓
Section 11 Return				✓	✓	✓	✓			✓			✓
Oracle SoD				✓								✓	

**Follow Up Reports (15 Reports, 25 Progress Reports):**

Title	Risk Rating Council	RAG
Engagement of Consultants and Interims	High	
Direct Payments - Embedding Operational Practice (Stage Two) Follow Up	Medium	
Heartlands Day Centre - 2nd Follow Up	Medium	
Direct Payments - Progress of Reviews in Excess of 12 Months Overdue	Medium	
Housing Repairs Contract Management and Performance	Medium	
Funerals and Property Protection Report	Medium	
Adult Social Care - Safeguarding	Medium	
Housing Visiting Programme	Medium	
Waste Management Procurement Compliance	Medium	
Kenrick Care Centre	Medium	
S117 Second Follow-up	Medium	
Cityserve - Procurement and Contract Management	Low	
Recruitment and Selection - Casuals	Low	
Revaluation of Assets	Low	

Title	Risk Rating Council	RAG
HMO Licensing	Low	Green
Home To School Transport - Interim Report		Orange
Home to School Transport Progress Review		Orange
Anti-Virus Progress Review		Orange
Information Governance Progress Review		Orange
IT Procurement Progress Review		Orange
IT Project Governance Follow Up		Orange
Day Centres		Orange
Placements - Supported Living		Orange
Assessment and Support Planning		Orange
Assessment & Support Planning – Early Intervention Community Team		Orange
GDPR Compliance - City Operations		Orange
Online Service Delivery (Intranet)		Orange
IT Project Governance		Orange
Day Centres		Orange
GDPR Compliance City Housing		Orange
Information Governance - GDPR Article 39 Compliance		Orange
Public Services Network		Orange
Printing		Orange
Placements, Supported Living		Orange
Heartlands Day Centre		Orange
Assessment & Support Planning – Early Intervention Community Team		Orange
Information Governance – GDPR Compliance		Orange
IT Procurement and Commercial Management		Orange
Fixed Assets IT Systems		Orange
IT Asset and Configuration Management		Orange

**Investigation Reports (14 Reports)**
**School Visits (31 Reports, 9 Follow-up Reports, 26 Progress Reports)**

## Internal Audit Charter 2023/24

### 1. Introduction

1.1 This charter sets out Birmingham Audit's:

- purpose, authority, and responsibilities;
- establishes Birmingham Audit's position within the organisation, including reporting relationships with the 'board';
- covers the arrangements for appropriate resourcing;
- defines the scope and role of Internal Audit in any fraud-related work; and
- includes arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.

It also sets out the objectives, framework and services delivered by Birmingham Audit (which are in accordance with the mandatory Public Sector Internal Audit Standards (PSIAS)). The detailed actions to deliver the charter are contained within the Birmingham Audit Service Plan.

#### **Notes:**

1. The term the 'board', is defined as the Council's Audit Committee.
2. Statutory officer roles with regards to Internal Audit:

*Chief Executive - ensure there is an open, honest, transparent, and accountable culture in operation within the Council and are records and explanations are available as and when required by Internal Audit.*

*Director of Council Management (Section 151 Officer) - is responsible for ensuring the sound financial administration of the Council and effective systems of Internal Audit. They are also responsible for deciding on the action to be taken to investigate suspected financial irregularities, including referring the matter to the Police.*

*Monitoring Officer - has a specific duty to ensure that the Council, its officers, and its Elected Members, maintain the highest standards of conduct in all they do.*

## 2. Purpose, Authority & Responsibilities

2.1 Birmingham Audit's primary purpose is to provide independent and objective assurance to the Council on the control environment (risk management, internal control, and governance) by evaluating its effectiveness in achieving the organisations objectives.

Birmingham Audit's helps the Council meet high standards of Service delivery, conduct and governance and assist in driving down the levels of fraud which achieved by examining, evaluating and reporting on the effective use of resources, reviewing the whole system of internal control and implementation of the intelligence led investigations regime.

2.2 In accordance with the Council's Constitution, Part D – D1 Financial Regulations, section FC4 Financial Governance directors must:

*“(v) Providing open and unfettered access to internal and external auditors.*

*(vi) Implementing agreed internal audit recommendations within agreed timescales.”*

2.3 Birmingham Audit's responsibilities include looking at how risk management, control, governance processes, and other resources are managed, and working with managers to add value, and improve the security, efficiency, and effectiveness of their processes.

2.4 Individual auditors are responsible for ensuring that they operate with due professional care. This means that Birmingham Audit staff will:

- be fair and not allow prejudice or bias to override objectivity;
- declare any interests that could potentially lead to conflict;
- sign a confidentiality statement;
- not accept any gifts, inducements, or other benefits from employees, clients, suppliers or other third parties;
- use all reasonable care in obtaining sufficient, relevant, and reliable evidence on which to base their conclusions;

- be alert to the possibility of intentional wrongdoing, errors and omissions, inefficiency, waste, lack of economy, ineffectiveness, failure to comply with management policy, and conflicts of interest;
- have sufficient knowledge to identify indicators that fraud may have been committed;
- disclose all material facts known to them which if not disclosed could distort their reports or conceal unlawful practice subject to confidentiality requirements; and
- disclose in reports any non-compliance with these standards; and not use information that they obtain in the course of their duties for personal benefit or gain.

### **3. Position within the Organisation (including reporting relationship with the board)**

- 3.1 Birmingham Audit will remain independent of the areas audited to ensure that auditors perform their duties impartially, providing effective professional judgements and recommendations. Where appropriate audit staff will be rotated to avoid and conflict of interests. Birmingham Audit will not have any operational responsibilities.
- 3.2 Subject to any statutory responsibilities and overriding instructions of the Council, accountability for the response to advice, guidance and recommendations made by Birmingham Audit lies with management. Management can either accept the advice and implement recommendations or reject them. Any advice, guidance or recommendations made by Birmingham Audit will not prejudice the right to review the relevant policies, procedures, controls, and operations at a later date.
- 3.3 The Assistant Director Audit and Risk Management will report the results of audit work in accordance with the Birmingham Audit Protocol.

**4. Resourcing**

- 4.1 The service will be delivered to professional standards by appropriately qualified and skilled staff. Birmingham Audit has achieved the ISO27001:2013 Information Security Standard. The Information Security Standard is subject to regular external review.
- 4.2 During 2023/24 we will continue to seek more efficient and effective ways to deliver the audit service, provide assurance to Members, and help identify new ways of working that will bring about service improvements and deliver efficiencies. The Audit data warehouse and data analysis will be used to support our assurance work and provide intelligence in respect of allegations of non-benefit related fraud referrals or data anomalies identified, and to carry out exception reporting, to identify samples and review data quality.
- 4.3 We will work with private sector partners as necessary to ensure we have the right skills and resources to deliver a quality driven professional service to the Council.
- 4.4 We will work in partnership with other inspection bodies to ensure that we get the maximum audit coverage from the resources invested; taking assurance from each other's work where appropriate.
- 4.5 If the Assistant Director Audit and Risk Management, or those charged with governance, consider that the adequacy and sufficiency of internal audit resources or the terms of reference in any way limit the scope of Birmingham Audit, or prejudice the ability of Birmingham Audit to deliver a service consistent with the definition of Internal Audit, they will advise the Council accordingly.

**5. Scope**

- 5.1 The scope of the internal audit function will embrace the internal control system of the Council. It covers all financial and non-financial related activities of the Council at all levels of its structure.

- 5.2 The internal control system is defined as including the whole network of systems and controls established by management to ensure that the objectives are met. It includes both financial and other controls for ensuring that corporate governance arrangements are satisfactory and best value is achieved. In determining where effort should be concentrated, the Assistant Director Audit and Risk Management will take account of the Council's assurance and monitoring mechanisms, including risk management arrangements, for achieving its objectives.
- 5.3 Birmingham Audit will consider the results of the Council's risk management processes. Where the results indicate adequate action has already been undertaken to manage the risks / opportunities Birmingham Audit will take this into account. Where the results indicate that insufficient work has been done then Birmingham Audit may undertake a separate review.
- 5.4 The scope of audit work extends to services provided through partnership arrangements. The Assistant Director Audit and Risk Management will decide, in consultation with all parties, whether Birmingham Audit conducts the work to derive the required assurance or rely on the assurances provided by other auditors. Where necessary, the Assistant Director Audit and Risk Management will agree appropriate access rights to obtain the necessary assurances.
- 5.5 Birmingham Audit will not undertake tasks which are likely to compromise its independence, internal control functions, or certification processes.
- 5.6 Birmingham Audit will participate and contribute to Council and Directorate policy development as required through attendance at relevant events and working groups.
- 5.7 Other Work

Where appropriate resources exist, Birmingham Audit will make provision within the plan for the review of key systems or key services provided by:

- the Council on behalf of other organisations; and

- others on behalf of the Council. In order to achieve this Birmingham Audit will require access to partner records, systems, and staff. This access should form part of any partnership contract between the Council and the partner.

The decision to include it in the plan will be dependent on the level of risk identified and whether reliance can be placed on opinions provided by others.

## 5.8 Fraud & Corruption

In accordance with the Birmingham City Council Constitution, Part D – D1 Financial Regulations, FC6 Delivery and Adherence to Core Strategies, directors must:

*“(i) Directors will maintain appropriate systems to enable the Director of Council Management to collect information on the adherence to core strategies.*

*The Council core strategies that support Sound Financial Management including:*

- (i) Anti-Fraud & Corruption Strategy*
- (ii) Anti - Money Laundering Policy*
- (iii) Whistle-blowing Strategy*
- (iv) Risk Management Strategy*
- (v) Insurance Strategy*
- (vi) Contracts and Procurement Regulations”*

Birmingham Audit will assist managers in minimising the scope for fraud by evaluating the Council’s systems of internal financial control and reporting thereon. Where irregularities are suspected, Birmingham Audit will, in appropriate cases, undertake an investigation and report to management or will promptly provide advice and guidance to assist managers with their investigation. All investigations undertaken by Birmingham Audit will adhere to all Council policies.

Where Directorates require Birmingham Audit to attend disciplinary hearings as a management witness, sufficient notice, i.e.: 10 working days, should be given.

## **6. Avoiding Conflicts of Interest**

- 6.1 Birmingham Audit staff will maintain an impartial, unbiased attitude to their work and will avoid conflicts of interest.
- 6.2 Birmingham Audit will maintain a register of interests for Audit staff. Any interests declared will be considered when planning and delivering work.
- 6.3 Where appropriate audit staff will be rotated to avoid any conflict of interests.

## **7. The Audit Committee**

- 7.1 Our support to the Audit Committee helps to demonstrate the highest standards of corporate governance, public accountability, and transparency in the Council's business. We will maintain an effective working relationship with the Audit Committee, this will include:
  - their approval of the internal audit charter and audit plan, and monitoring of progress against them;
  - the provision of training and technical support to keep Members informed of relevant legislation, good practice and governance issues;
  - access to all reports. Those considered to be of the highest risk will be highlighted and brought to their attention; and
  - performance management information will be provided.
- 7.2 We will attend the committee meetings and contribute to the agenda.
- 7.3 We will participate in the committee's review of its own remit and effectiveness, and ensure that it receives, and understands, documents that describe how Internal Audit will fulfil its objectives.

- 7.4 Our progress reports will include the outcomes of internal audit work in sufficient detail to allow the committee to understand what assurance it can take from that work, and / or what unresolved risks or issues it needs to address.
- 7.5 Annual / half year update reports will be produced. The annual report will include an overall opinion on the control environment, the extent to which the audit plan has been achieved, and a summary of any unresolved issues.

## **8. Birmingham Audit Business Plan – 2023/24**

8.1 The Business Plan sets out Birmingham Audits vision to be a highly respected and valued team for insight, analysis, and advice.

8.2 Objectives:

- Deliver an internal audit service that meets professional and mandatory standards and delivers an informed and evidenced assurance to the Council.
- Deliver an effective counter fraud service to prevent, detect and deter fraud and error and to assist law enforcement agencies through the provision of intelligence.
- Enhance awareness and management of risk across the Council by embedding the risk management framework and co-ordinating the production of the Strategic Risk Register.
- Add value and insight by understanding the risks and challenges that we, and our clients face and identifying opportunities to deliver improvements for the citizens of Birmingham.

## **9. Statutory Requirements**

9.1 There is a statutory requirement for Local Authorities to have a counter fraud and internal audit function. This service is provided for the Council in-house by Birmingham Audit working in partnership with a number of external bodies. The Assistant Director Audit and Risk Management provides a continuous internal audit and counter fraud service and reviews the Council's controls and operations.

9.2 The services we provide are in accordance with the following legal and professional requirements:

Legal:

- Accounts and Audit Regulations 2015
- Council Tax Reduction Schemes (Detection of Fraud and Enforcement) Regulations 2013
- Criminal Justice Act 2003
- Criminal Procedures Investigation Act 1996
- GDPR/Data Protection Act 2018
- Fraud Act 2006
- Freedom of Information Act 2000
- Human Rights Act 1998
- Local Government Act 2002
- Police & Criminal Evidence Act 1984
- Proceeds of Crime Act 2008
- Regulation of Investigatory Powers Act 2012
- Social Housing Fraud (Power to Require Information) Regulations 2014
- The Protection of Freedoms Act 2012
- Theft Act 1978
- Welfare Reform Act 2012

Professional Requirements:

- Relevant CCAB professional guidance including the Public Sector Internal Audit Standards
- Relevant IIA guidance

- Information Security - BS EN ISO27001:2013
- 9.3 Birmingham Audit reports to the Section 151 Officer under the Local Government Act 2002. The legislative drivers for internal audit and counter fraud continue to evolve.
- 9.4 The Council has adopted the CIPFA / SOLACE code of corporate governance. This code together with the Statement of Recommended Practice (SORP) introduced the requirement for an annual statement of assurance to be made. The Council has subsequently reviewed / revised their Local Code of Governance in accordance with the CIPFA Framework - Delivering Good Governance in Local Government. This means that the Chief Executive and Leader are required to sign a formal corporate assurance statement (known as the Annual Governance Statement (AGS)) on the effectiveness of the Council's governance arrangements and identify any significant governance issues.
- 9.5 We have a role to play in advising Directors regarding the processes, and reporting mechanisms needed to compile their own assurance statements, which the AGS will be based on. An integrated assurance framework is established which places greater reliance on 'management assurance'. This is obtained from individual officers around specific areas of risk and the assurance documentation completed annually at both directorate and business unit level.
- 9.6 The audit plan is risk based and delivered to provide an independent opinion on the adequacy and effectiveness of the systems of internal control in place. Our opinion will be prepared using the following sources of assurance: Internal / External Audit work, the AGS process and Risk Management processes. We will work with the External Auditors to improve overall coverage and avoid duplication of effort.
- 9.7 We give an opinion on the internal control environment which forms part of the AGS, which the Council is legally required to produce as part of the final accounts. The work undertaken by Birmingham Audit makes an important contribution to providing assurance around the control environment, and the content of the AGS. The categories of work include:
- Section 151 work around the major and significant financial systems;
  - IT Governance;

- audit around the major risks and the risk management process;
- audit of corporate governance / business control assurance arrangements;
- counter fraud activities; and
- school activities.

## 10. The Annual Audit Plan

10.1 We will contribute to protecting and enhancing organisational value, supporting the Council's aim to make a positive difference, every day, to people's lives. We will provide an enterprise wide perspective when carrying out audit work, constantly considering the challenging financial situation, and ensuring our planning process is future focused, adds value and insight, and improves organisational operations. We will continue to provide independent assurance and advice that supports healthy transparency in the risk management process. We will place emphasis on the responsibility taken by management to recognise their key risks and take ownership and accountability to manage these effectively, understanding risk appetite to properly accept / mitigate risks to achieve the best outcome.

10.2 The audit plan for 2023/24 has been compiled based on a number of factors, i.e.:

- the level of risk associated to each entity;
- the level of assurance associated to each entity;
- any reviews that fall under the 'must do' categorisation, i.e.: those which are required to be undertaken as part of the minimum internal audit standard.

On an annual basis each entity will be reassessed based on the results of the previous year's internal audit work and other assurance gained regarding the control environment.

10.3 All the risks contained within the Strategic Risk Register are included within the Council's Assurance Framework, which is updated prior to producing the audit plan, and some or all of these will be audited on the basis of their likelihood and impact. The focus of the audits will be

the testing of the systems, controls and action plans put in place by the nominated risk owner to mitigate the risk. If other significant risks / opportunities are identified either through audit work, new / changing legislation, or other change mechanisms they may, subject to resource availability, be added to the audit plan.

- 10.4 Following guidance from the External Auditors each of the systems they designate as 'main financial systems' will feature in the audit plan, unless otherwise directed.
- 10.5 We will continue to develop our approach to systems audit work to put more emphasis on reducing the risk of fraud. Counter fraud activity will include both reactive and proactive fraud work and providing further assistance to officers to better manage the risk of fraud through prevention, detection, and deterrence. This will include work in relation to the National Fraud Initiative (NFI). And ongoing development of anti-fraud database.
- 10.6 Follow up audits will be undertaken in accordance with the agreed policy.
- 10.7 Consultancy / advisory work will be undertaken within the limitations of existing resources and where it does not introduce a conflict of interest.

Consultancy / advisory work is defined as:

*"The provision of objective advice and assistance relating to the strategy, structure, management and operations of an organisation in pursuit of its long-term purposes and objectives."*

Consulting / advisory services may include but are not limited to:

- facilitation of workshops;
- assistance in the completion of financial returns; and
- representation on Boards etc.

The purpose, scope, and approach for each piece of consultancy work will be agreed prior to commencement of the work.

A Charging Policy has been implemented. This means that some elements of work will only be undertaken if resource is available and the client is willing to incur the cost e.g. grant claim certification.

**Internal Audit Plan 2023/24**

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
<b>Financial Assurance</b>				
Accounts Payable/Payment Activities (Oracle Processes)	50		Financial Core System	Robust controls are in place for all payment activities
- CHAPS Payments				
- Data Analysis - One Time Payments				
- Key Reporting				
- Statutory Requirements / Submissions				
- Supplier master Data Management				
- Capture - forensic tool				
- Proactive Data Analysis - Key Controls				
Accounts Receivable (Oracle Processes)	50		Financial Core System	Monies owed for services rendered are received promptly and debts appropriately and timely progressed.
- Management of Adult Social Care Debts				
- Raising Invoices - Quality and Accuracy (inc. Interface Files)				
- Debt Recovery				
Annual Audit Letter	5		Financial Core System	Issues raised within the External Auditors Annual Audit Letter are monitored and actioned.
Asset Management - Fixed Assets	50		Financial Core System	Fixed assets are accounted for correctly.

Activity	Current Days	Subtotal	Category	Assurance
- Commercial Portfolio – Income Generation				
Benefits Service	50		Financial Core System	Applications are validated in a timely manner and paid accordingly. Accounts are subject to regular review.
Corporate Payroll (Oracle Processes)	20		Financial Core System	Pay is accurately calculated, accounted for, and received by staff on timely basis.
- Data Entry & Reconciliation				
Compliance with HR Policies (including Oracle Processes)	30		Corporate / Financial Core System	Human Resources policies and procedures are complied with and correctly reflected on payroll where appropriate.
- Injury Allowance				
- Hays Pre employment Checks Compliance				
Council Tax	30		Financial Core System	Council Tax payments, less valid deductions, are paid in a timely manner and prompt recovery of outstanding debts take place. All accounts are subject to regular review and monitoring.
NNDR	30		Financial Core System	Business Rate payments, less valid deductions, are paid in a timely manner and prompt recovery of outstanding debts takes place. All accounts are subject to regular review and monitoring
Financial Management – Control (Oracle Processes)	50		Financial Core System	Robust financial controls are in place.
- Financial Controls Review				
- Cash Management				
Treasury Management	20		Financial Core system	The Treasury Management Strategy and Policy is complied with and treasury processes appropriately controlled.
Procurement and Contracts	140		Financial Core System	Procurement and contract requirements are complied with.
- Ladywood Regeneration Project (Competitive Dialogue)				
- Third Party Framework Agreements				

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
- Waivers Procedure				
- Breach Procedure				
- Combined Heating and Power Scheme				
- Manned Security – Contract Management				
- Capital Contract – Open Book Arrangements				
Rent Collection & Charges	25		Financial Core System	Rent monies owed are collected and early intervention takes place for the recovery of debts.
Direct Payments	20		Financial	Direct payments are correctly assessed and paid.
Oracle IT - Controls / Security (Oracle Processes)	48		Financial Core System	Adequate arrangements in place to ensure the effective and secure management of the Oracle Fusion system. <b>Additional 18 days added.</b>
- Customisations PaaS				
- General IT Controls				
- BCC Stabilisation Planning Workshop				
- Go Live Testing - Commercial Support				
<b>Subtotal</b>		<b>618</b>		
<b>Adults Social Care</b>				
Commissioning - Regulated Care	15		Operational / Regularity / Strategic Risk	Adequate arrangements are in place in respect of the care providers contract framework.
Discharge to Assess	20		Operational / Regularity / Strategic Risk	Effectiveness of discharge and assessment arrangements to support citizens when they leave hospital.
- Stage 3: Non-Front Runner Procedures				

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
- Compliance with Process and Procedures				
Day Centres	15		Operational / Regularity / Corporate	Robust procedures are in place and have been implemented to ensure appropriate governance arrangements are in place for the management of Day Centres.
Disabled Facilities Grant (DFG)	20		Operational / Regularity	Disabled Facilities Grants are correctly awarded and robust arrangements in place to manage the completion of adaptations.
- Procurement				
- Compliance with New Procedures				
Refugee and migration	20		Corporate	Commissioning of services and contract management arrangements are robust.
Transition to Adulthood	20		Operational / Regularity / Strategic Risk	Effective arrangements are in place to support the transition of young people transitioning to adulthood.
Liberty Protection Standard/Deprivation of Liberty Safeguards	15		Corporate / Strategic Risk	Referrals for and assessments of Deprivation of Liberty Safeguards are being robustly and effectively completed.
Funeral Service and Property Service	15		Operational / Regularity	Management and financial arrangements in place for the Funeral Service and the Property Service are adequate and effective.
Assessment & Support Planning/Placements	20		Strategic Risk	Robust procedures and arrangements are in place for the assessment of packages of care.
<b>Subtotal</b>		<b>160</b>		
<b>Children and Families</b>				
Home to School Transport	25		Corporate	Robust controls are in place to manage the Home to School Service.
SEND Ofsted Improvement Plan	10		Corporate	The SEND Ofsted Improvement Plan is robustly monitored and managed.
Admissions and Appeals	15		Operational / Regularity	Admissions and appeals are carried out in accordance the Government Code of Practice.

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
Directorate Transformation Programme - Governance controls and delivery	25		Operational / Regularity / Strategic Risk	Strong governance controls are in place to manage, monitor and deliver the Directorate's Transformation Programme.
Responding to the Challenge of Improving Financial Management in Schools	15		Operational / Regularity	Local Authority controlled schools are robustly managing their budgets, and the Local Authority has controls assurance in place.
Safeguarding Corporate Overview	30		Strategic Risk	Robust corporate safeguarding processes are in place.
SEND - Sufficiency Strategy	15		Corporate	There is a robust strategy to provide sustainable SEND services.
- Sufficiency Strategy Early Progress Review				
- Sufficiency Strategy Assessment				
Elective Home Education	10		Operational / Regularity	Home Educated Children are safe and receive an appropriate education.
Directorate Commissioning & Contract Management	20		Operational / Regularity	Contract management within the Directorate is effective.
Family Hubs	15		Operational / Regularity	Robust controls over the management and delivery of the programme's expectations.
Contract Monitoring - Birmingham Children's Trust (BCT)	20		Operational / Regularity	Provide assurance that sufficient controls are in place to monitor and control the work of the BCT.
Early Years Health & Well-being	15		Operational / Regularity	The EYH&WB Contract is being robustly managed and delivering the services intended.
Children not in Education	20		Operational / Regularity	Children not in education are safe, accounted for and receive an education.
Directorate Complaint Processes	15		Operational / Regularity	Robust complaints processes are in place.
School Exclusions	20		Operational / Regularity	The Local Authority monitor school exclusions.
Directorate Business Intelligence Function	15		Operational / Regularity	The Business Intelligence function is delivering its service objectives.

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
Safeguarding & Development - BCSB	20		Corporate	Support the work of the BCSB and provide assurance over safeguarding arrangements.
- Regional Section 11 Review				
- Right Help Right Time				
School Visits	540		Schools	Undertake a programme of school visits to provide assurance on finance and governance arrangements.
<b>Subtotal</b>		<b>845</b>		
<b>City Housing</b>				
Tenancy Management Services	20		Operational / Regularity	Tenant Management arrangements are effective.
Homelessness	35		Strategic Risk	Focus will be on Temporary Accommodation Finance Management and the arrangements for responding to Ombudsman Homelessness cases.
- Temporary Accommodation Finance				
- Local Government Ombudsman - Homelessness Cases				
Stock Condition Data	20		Strategic Risk	Appropriate arrangements have been established to assess the condition of the City's housing stock.
Response to City Housing Self-Assessment	15		Operational / Regularity	Self-assessment has been robustly completed, and for issues identified, appropriate action has been taken.
Repairs	150		Operational / Regularity / Strategic Risk (funded by HRA)	Support for ongoing Whistleblowing allegations and provide assurance over service delivery processes and procedures
- Responsive Repairs - Voids - Gas R&M				
- Job bookings and planning				

Activity	Current Days	Subtotal	Category	Assurance
- Ongoing response				
<b>Subtotal</b>		<b>240</b>		
<b>City Operations</b>				
Waste Management	25		Corporate	Arrangements and procedures for delivering an effective waste management service.
Enforcement - Litter and Fly Tipping	10		Operational / Regularity	Effectiveness of litter and fly tipping enforcement procedures.
<b>Subtotal</b>	<b>35</b>	<b>35</b>		
<b>Council Management</b>				
Acivico Contract Monitoring	20		Operational / Regularity	Contract monitoring is robust.
Accountable Body	30		Operational / Regularity	Discharge of accountable body responsibilities.
Ethics	10		Governance	Robust of ethical arrangements to support an honest and fair organisation.
Risk Management	10		Governance	Verify that the risk management framework is appropriate and being implemented across the organisation.
Governance	20		Governance	Robustness of governance arrangements.
Self-Assessment – Annual Good Governance Statement (AGS) Process	10		Governance	Appropriate arrangements are in place to produce a supportable AGS.
IT Policies	20		Technical	The Council's IT policy framework is adequate and there is suitable programme in place to review and updated policies and monitor compliance.
IT Project Governance	15		Technical	Robust IT project governance is in place to ensure that projects are delivered on time, within budget and to the required standards.
Information Governance	20		Technical / Strategic Risk	Adequate security and controls are in place to ensure compliance with The General Data Protection Regulations (GDPR) obligations.

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
Digital Strategy	20		Technical	The key themes of the strategy are being delivered in line with the stated outcomes of the ICTD Strategy implementation plan, and key milestones are being achieved.
IT Applications	30		Technical	Adequate arrangements in place to ensure the effective and secure management of the applications.
Cyber Risks	20		Technical / Strategic Risk	Adequate security and cyber security controls are in place.
- Ongoing Engagement				
- Schools Cyber Security				
IT / Digital Projects	30		Technical	Effective project governance and management arrangements are in place to support the implementation of individual projects. <b>10 days moved to Oracle.</b>
<b>Subtotal</b>		<b>255</b>		
<b>Place, Prosperity and Sustainability</b>				
Enterprise Zones	20			Adequate management arrangements in place for the EZ programme.
Clean Air Zone	10		Strategic Risk	Adequate arrangements / strategies are in place to ensure the council / city will achieve net zero carbon by 2030.
Housing Development	15		Strategic Risk	Verify that effective arrangements have been established to develop and improve housing across the city.
Planning Applications	20		Operational / Regularity	Planning applications are controlled and processes in line with statutory guidelines.
<b>Subtotal</b>		<b>65</b>		
<b>Strategy, Equalities and Partnerships</b>				
Cost of Living programme	15		Corporate	Effective support arrangements are being implemented.
Public Health	30		Strategic Risk	Delivery of NICE requirements. Effectiveness of finance and operations.
- Adherence to NICE guidelines NG44				

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
- Financial Management of grant allocations for non-recurrent external funding				
- Recruitment Practice – Compliance with Corporate Requirements and Processes				
<b>Subtotal</b>		<b>45</b>		
<b>Fraud / Irregularities</b>				
Investigations	350		Counter Fraud	Reactive fraud investigation
Awareness	150		Counter Fraud	Targeted training and anti-fraud awareness
Proactive / compliance	200		Counter Fraud	Proactive antifraud / compliance reviews
<b>Subtotal</b>		<b>700</b>		
<b>Chargeable</b>				
Work for Acivico	40		External	External work.
Grant Certification / chargeable work	80		External	External work.
- GBSLEP Growth Hub Grant Certification				
- Troubled Families April 2023 PBR Claim				
- Bordesley Green East				
- Family Funds Grant				
- Troubled Families June 2023 PBR Claim				
<b>Subtotal</b>		<b>120</b>		

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
Risk Management Facilitation	50		Risk Facilitation	Facilitation of risk management and the strategic risk register.
Partnering / Insight / Contingency	462		Ad-hoc / contingency / Other Assurance	Partnering / insight / contingency. <b>8 days moved to Oracle.</b>
- Ad-hoc Work - Clean Air Zone Management of Charges - Decision Making Process				
- DBS Checks: Assisting with Implementation of KPMG Recommendations				
- HTST Safeguarding Steering Group				
- SEND Ofsted Improvement Plan On-going Monitoring				
- Early Intervention Community Team - Stage Two Review				
- Public Health - COMF Funding 22-23				
- Public Health - COMF Funding 23-24				
- Ad-hoc Work Queries Advice to Client - Queries Taking Under Half A Day				
- Ad-hoc Work - ENAs				
- Youth Service Recruitment Processes				
- Family Group Conferencing Team				

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
- WMS Service Delivery Monitoring				
- Ad-hoc Work - Banking Briefing Note				
- Ad-hoc - City Housing: Procuring Temporary Accommodation Project				
Follow up work	175		Follow up	Follow ups – verify progress and implementation of agreed recommendations
- Accounts Payable - One Time Payments and Request for Payments				
- Waste Management – Performance Reporting				
- NNDR Charity Relief – Mandatory & Discretionary				
- Engagement of Consultants- Interims				
- Placements – Discharge to Assess				
- Fleet Services – External Review				
- Enablement and Home Care				
- HTST - Early Progress Review				
- Day Centres				
- BACS				
- Document Management 360				
- Information Governance				

<b>Activity</b>	<b>Current Days</b>	<b>Subtotal</b>	<b>Category</b>	<b>Assurance</b>
- General Data Protection Regulation (GDPR) Compliance E&S				
- General Data Protection Regulation (GDPR) Compliance City Operations				
- Data Breach Travel Assist				
- General Data Protection Regulation (GDPR) Compliance City Housing				
- GDPR compliance - Adult Social Care				
- IT Asset and Configuration Management				
- IT procurement				
- Logotech - Treasury Management				
- IT Governance				
- Impulse				
- MAPPS				
- IT Operations				
- IT Projects - Home to School Transport 365				
- IT Applications JADU				
Data Analysis	200		Other Assurance	Data analysis / data driven assurance
City Initiatives / Information Requests	20			Corporate initiative / responding to information requests
<b>Subtotal</b>		<b>907</b>		

Activity	Current Days	Subtotal	Category	Assurance
<b>Grand total</b>		<b>3990</b>		