

List of Audits Completed as part of the 2017/18 Audit Plan

Audit	Audit Objective & Opinion		
Leisure Centre Contract Monitoring 2017/18	Control Objectives (CO): 1. To follow-up previous audit recommendations made within the Leisure Centre (Client Monitoring) Audit 2016/17.		
	Audit opinion		
	CO	Assurance Level	Opinion
	1	Good	Good assurance was obtained throughout this follow-up audit that previous recommendations have been implemented. These recommendations can be found in the outstanding recommendations sheet which is reported to the Audit Committee.
Occupational Road Risk Policy 2017/18	Control Objectives (CO): 1. A framework to implement the Occupational Road Risk Policy has been established.		
	Audit opinion		
	CO	Assurance Level	Opinion
	1	Good	<p>An audit of the framework for implementing the Occupational Road Risk policy found a good level of assurance that:</p> <ul style="list-style-type: none">- The policy had been appropriately approved.- It had been communicated to staff via the intranet and a “News4u” article and Members notified by the Head of Democratic Services.- Managers/Heads of Service had received training and checks were in progress.- Systems have been established so that checks can be documented within the HR ‘Breathe’ system. This will be subject to a further audit review once this system is live. <p>Volunteers are incorporated within the policy; however, it was considered unlikely that volunteers would be classed as “driving whilst at work” and therefore the risk is minimal. Given the difficulty enforcing this policy with this group, it is considered reasonable to not complete these</p>

			checks; however volunteers should be made aware of the policy. It has been agreed with the Finance Manager to complete and document that if any volunteer mileage claims are received in future, the checks should be completed and documented prior to payment.
Housing Benefits	Control Objectives (CO): <ol style="list-style-type: none"> To review the adequacy of the controls in place over the implementation of Universal Credit. 		
	CO	Assurance Level	Opinion
	1	Good	<p>A review of the current controls in place in respect of Universal Credit (UC) found the following:</p> <ul style="list-style-type: none"> – A Data Sharing Agreement and a Grant Funding Agreement is in place for the current financial year, between the Council and the Department for Work and Pensions (DWP). These agreements cover the expected activities to be completed by the Council including; management information returns and frequency to be provided by the Council, provision of support to be offered by the Council to claimants, and information to be shared between the two bodies and the legislation governing this. – Training has been provided to staff before and since the introduction of the full UC service. – Procedure notes for processing claims and inputting income into the system are present but basic. – The Council's website has been updated with relevant information regarding the implementation of UC and a specific Universal Credit Council Tax Reduction form has been produced. – A sample of 20 UC accounts found that seven of these accounts had variances in the information manually input into the benefit system relating to UC income values. Two additional cases had an incorrect housing benefit stop date; one of these related to system error. – A sample of five overpayment returns found that the information of overpayments was accurately reported to the DWP, although one of the five had been incorrectly coded.

		<ul style="list-style-type: none">- A sample of five notifications of claim terminations found that all were appropriately actioned.- Procedures are in place with regards to the referral, recording and reporting procedures regarding the provision of Personal Budgeting Support and Assisted Digital Support (ADS). Additional information should be retained to evidence that ADS has been provided to claimants. <p>Given the variances picked up during testing, the Benefits Team Leader is instigating additional training to be provided to staff before the end of July 2018. The Benefits department is also investigating the ability of automatically loading data received from the DWP into the benefits system; this would mitigate human error. Considering this, no recommendation has been made at this time.</p>						
Public Services Centre Refurbishment	<p>Control Objectives (CO):</p> <ol style="list-style-type: none">1. Appropriate project management arrangements are in place.2. Risk Management arrangements are robust.3. Expenditure associated with the project is valid, authorised, coded correctly and within budget. <p>Audit opinion:</p> <table><tr><th>CO</th><th>Assurance Level</th><th>Opinion</th></tr><tr><td>1</td><td>Satisfactory</td><td>Approval for phase 2 of the Public Services Centre refurbishment was obtained from Council on 21 February 2017. Audit testing concluded that the scope of the project has been clearly defined and is subject to a robust change control process whereby Compensation Event Notices (CEN's) are issued prior to any associated works taking place. These highlight any cost and time implications and demonstrate authorisation from both the contractor and the Council. This was with the exception of two CEN's; both concerning the ground floor refurbishment which went through an alternative process for agreement due to time constraints in ensuring the works were undertaken in a timely manner. Documentation was available which provided a satisfactory level of assurance that the Council agreed the scope and cost of these works i.e. email correspondence, clarifications raised by the Asset Manager and the raising and authorisation of a purchase order.</td></tr></table>		CO	Assurance Level	Opinion	1	Satisfactory	Approval for phase 2 of the Public Services Centre refurbishment was obtained from Council on 21 February 2017. Audit testing concluded that the scope of the project has been clearly defined and is subject to a robust change control process whereby Compensation Event Notices (CEN's) are issued prior to any associated works taking place. These highlight any cost and time implications and demonstrate authorisation from both the contractor and the Council. This was with the exception of two CEN's; both concerning the ground floor refurbishment which went through an alternative process for agreement due to time constraints in ensuring the works were undertaken in a timely manner. Documentation was available which provided a satisfactory level of assurance that the Council agreed the scope and cost of these works i.e. email correspondence, clarifications raised by the Asset Manager and the raising and authorisation of a purchase order.
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			<p>The project is subject to robust monitoring arrangements; a detailed programme of works is in place, which is updated on a regular basis, appropriate updates are provided via Programme Board, Transform Working Group, Member Briefings and various project team/site meetings. The project is also subject to monitoring through the Council Plan and quarterly performance tracker. In addition, regular stakeholder communication takes place.</p>
	2	Good	<p>A detailed risk register is in place for the refurbishment project which identifies all key risks and is frequently updated. These risks are reported and raised at monthly progress meetings and highlighted on the monthly dashboard and financial reports for the period in question. Key risks and associated mitigating controls were also found to have been discussed at Transform Working Group. In terms of Health and Safety issues, these are raised and discussed as part of the progress meetings and support the health and safety risk assessment completed as part of the contract.</p> <p>Evidence was obtained during the audit that the contractor has in place the required insurances. The contractual requirement to have the main contractor named on the Council's building insurance for the duration of the project was evidenced through review of insurance documentation and notification of the project to the Council's insurers via the annual renewal questionnaire.</p>
	3	Good	<p>Since the projects approval in February 2017, the budget has increased to a forecasted £2.02m. This was as a result of the production of a feasibility budget and detailed design brief following which the scope of the works increased to include items such as the external works, improved entrance, alterations to Mayor's Parlour, the inclusion of new toilets and kitchens etc. The deficit is being funded in a number of ways, namely the use of approved asset management reserves, contributions from tenants within the Public Services Centre and the omission of some non-essential works. Evidence was obtained that budget monitoring is taking place for all elements of the project, with regular reconciliations being carried out in order to identify and investigate any variances.</p> <p>Audit testing of a sample of payments made to date in relation to the project confirmed that expenditure is valid, within the remit of the project and recorded accurately for budget monitoring purposes. Furthermore, all expenditure has been</p>

			<p>coded correctly and authorised by an appropriate officer. In respect of the capital grant awarded for the Growth Hub, key elements of the agreement are being met in terms of the funding payment procedure and submission of quarterly claims. Appropriate supporting evidence is obtained to support these claim amounts.</p>
Corporate Improvement Work	<p><u>Homelessness</u></p> <p>An outstanding audit recommendation relates to undertaking a procurement exercise in relation to the storage of personal belongings of homelessness individuals. Corporate improvement days have currently been spent on drafting a service specification, pricing/evaluation schedule and setting up the pre-procurement checklist for the Housing Services Manager to review.</p> <p><u>Data Protection</u></p> <p>As part of the GDPR agenda, a service area risk assessment for the GDPR has been completed, which identified 16 retention schedules requiring completion across the Council. The corporate improvement days were spend on identifying the completion status of these schedules and giving consideration to their 'ownership'. The outcome of this work has been reported to management committee to support management's compliance with the GDPR agenda.</p> <p><u>Trade Waste Debt Recovery</u></p> <p>A recommendation relating to debt recovery has been outstanding since the Trade Waste audit completed in 2015/16. Corporate improvement days were used to review the level of debt for the service and to test the recovery procedures currently in place. The audit review established that the majority of customers with debt exceeding a year old and/or with one or more outstanding debts are still receiving collections despite lack of payment. 34 customers were identified who should potentially have their service suspended until payment is received. Therefore the recommendation was found to remain outstanding.</p> <p><u>Section 106</u></p> <p>A member of the Internal Audit Team attended a meeting with the Head of Development Services and members of the Development Team to review the processes and controls in place for the dissemination of Section 106 monies. Using examples from other Councils, the meeting proposed the development of an application, appeal and review process to support a consistent and clear approach for awarding these monies.</p> <p><u>Management Commitments</u></p> <p>A high level review of how well these have been embedded was undertaken. The review identified the following:</p> <ul style="list-style-type: none"> • Team meetings are held on a monthly basis for the majority of services. Where a monthly meeting does not take place, the regularity appears to be reasonable for the size of the service. Monthly team meetings are now programmed in for Customer Services. Cover for this team is now supported from other service areas. • A core briefing note of key issues arising from management team is posted on the intranet, without fail. 		

	<ul style="list-style-type: none"> • Staff briefings are programmed in advance on a quarterly basis. Attendance has dramatically improved with all staff formally invited through their Outlook diaries and a change in timings. Briefings are kept to an hour and Agenda items are tailored to be relevant and interesting e.g. growth hub, cyber security, GDPR • 12 out of 20 staff who were part of the review confirmed they have had a Personal and Professional Development (PPD) meeting, with a further three who stated they had regular one to one's with their manager. There is a management instruction that all PPDs should be complete by September. Furthermore, there is an action within the Human Resources 2018/19 service plan to review the PPD process. • There was good assurance that staff know how to access relevant training and development opportunities (20 out of 20). • 19 out of 20 felt their manager fostered creativity and was receptive to new ideas. • Sickness is managed in accordance with the Council's Absence Management Policy – and internal audit undertaken within the year confirms this. • All agreed that managers support them in completing corporate requests.
Internal Audit Quality Assurance and Improvement	<p><u>Review of Audit Documentation</u></p> <p>As a result of the External Quality Assessment completed in November 2017, a number of recommendations were made relating to audit documentation. In the course of implementing these recommendations, the Internal Audit Team has been reviewing and improving the way that the team document audits. This has included changes to the Audit Assignment Brief, Audit Programme, working papers, and reports formatting. The way internal audit scores risks and recommendations has also been reviewed, and an examination of outstanding recommendations was conducted to ensure that the scoring can be applied.</p> <p><u>Member Workshop</u></p> <p>The Internal Audit Team brought the recommendations from the External Quality Assessment and the action plan for implementation to the Member's workshop held In May 2018. The team prepared a presentation for Members and demonstrated current working practices and proposed changes.</p>

Recommendations Rating

Priority:		Definition:
1	High	A fundamental weakness in the system that puts the Authority at risk. This might include non-compliance with legislation or council policy, or may result in major risk of loss or damage to council assets, information or reputation. Requires action as a matter of urgency; to be addressed within a 3-6 month timeframe wherever possible or within an extended time frame as agreed with Internal Audit if the recommendation requires extensive resources or time.
2	Medium	Observations refer mainly to issues that have an important effect on the system of internal control but do not require immediate action. Legislation or policy are unlikely to be breached as a consequence of these issues, although could cause limited loss of assets, information or adverse publicity or embarrassment. Internal audit suggest improvement to system design to minimise risk and/or improve efficiency of service. To be resolved within a 6-9 month timescale.
3	Low	Observations refer to issues that would if corrected, improve internal control in general and ensure good practice, but are not vital to the overall system of internal control. A desirable improvement to the system, to be introduced within a 9-12 month period.

Level of control

Level of control:	Definition:	Guidance:
Good	Significant assurance- There is a sound system of control, and the controls are being consistently applied. Limited scope for improving existing arrangements. Significant action unlikely to be required.	No audit recommendations or no more than 3 low priority (3) recommendations.
Satisfactory	Reasonable assurance- There is a sound system of control, and the controls are generally being consistently applied. However, there are some minor weaknesses in control, and/or evidence of non-compliance.	No more than 2 medium priority (2) recommendations, possibly with some low (3) recommendations.
Limited	Limited assurance- Lapses in the framework of control in a number of areas, and/or evidence of significant non-compliance.	Between 1 and 3 high priority (1) and possibly several other priority recommendations OR 3 or more medium (2) recommendations.
Unsatisfactory	Inadequate assurance- The system of control is weak, and/or there is evidence of significant non-compliance, which exposes the council to the risk of significant error or unauthorised activity.	4 or more Priority 1s OR 6 or more medium priority (2) recommendations.