



## Audit and Risk Management Committee

<b>Date:</b>	<b>Wednesday, 18 March 2015</b>
<b>Time:</b>	<b>6.00 pm</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

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### AGENDA SUPPLEMENT

**10. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)**

The Chair has agreed to consideration of the following two reports as items of urgent business as they were inadvertently omitted from the agenda

**10a INTERNAL AUDIT UPDATE REPORT (Pages 1 -16)**

Report of the Chief Internal Auditor

**10b INTERNAL AUDIT PLAN 2015/16 (Pages 17 – 32)**

Report of the Chief Internal Auditor

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## WIRRAL COUNCIL

### AUDIT AND RISK MANAGEMENT COMMITTEE

18 MARCH 2015

<b>SUBJECT:</b>	<b>INTERNAL AUDIT UPDATE</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>CHIEF INTERNAL AUDITOR</b>
<b>KEY DECISION ?</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

1.1. This report identifies and evaluates the performance of the Internal Audit Section and includes details of any issues arising from the actual work undertaken during the period 1 January to 28 February 2015. There are four items of note concerning audit work undertaken that are brought to the attention of the Members for this period and this is identified at Section 2.2.

#### 2.0 BACKGROUND AND AUDIT OUTPUT

2.1. Internal Audit operate an effective reporting mechanism for Members of the Audit and Risk Management Committee that summarises audit work completed and identifies issues raised on timely bi-monthly basis. This report supports these arrangements by focussing on the following:

- Any items of note arising from audit work conducted,
- Any issues arising that require actions to be taken by Members,
- Performance information relating to the Internal Audit Service,
- Developments being undertaken to improve the effectiveness of the Internal Audit Service.

The information contained within this report is for the period 1 January to 28 February 2015.

#### 2.2. Items of Note

##### 2.2.a Scrutiny

An audit review of the Council's Scrutiny arrangements has revealed a positive position in this area of governance, with effective member involvement, thorough well-evidenced reviews being performed, appropriate reporting lines and a process for monitoring of recommendations emanating from the Scrutiny reviews undertaken.

##### 2.2.b Risk Management

An audit has been conducted of the Risk Management system. The review supported and complemented the piece of work undertaken earlier in the year

that was focused very much at a strategic level. The findings/recommendations were aimed at the corporate Risk and Insurance Officer with a view to being able to provide the corporate steer for risk management arrangements across the organisation. As such, the work also supports the corporate Risk and Insurance Officer as part of addressing the outcomes of the recent CIPFA Benchmarking exercise.

The audit focussed on:

- The processes for monitoring and reporting on risks within directorates and as part of key projects.
- The understanding and undertaking of roles and responsibilities.
- The utilisation and understanding of corporate guidance.
- Efficiency and effectiveness of controls.

The overall organisational risk opinion for the audit was Moderate - the likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to moderate risk.

There were many areas of good practice identified across the Directorates, and ten recommendations were made suggesting improvements in the corporate system and how this is implemented in Directorates. There were no high priority recommendations arising, but the five medium priority recommendations related to:

- Completion of all details on the risk register template including target scores.
- Production of service risk registers for all areas.
- Reporting of risk information.
- Recording changes to the risk registers.
- Challenge to the risk scores presented.

A positive response to the recommendations has been provided by the corporate Risk and Insurance Officer who has agreed to implement the recommendations in conjunction with the Directorates.

Further work is scheduled in this area during 2015/16 to evaluate progress made to implement agreed actions and the outcome of this will continue to be reported to this Committee.

### 2.2.c Better Care Fund

An audit was conducted of the Better Care Fund (BCF). This is a government scheme which requires Local Authorities to work with their local Clinical Commissioning Group (CCG) to devise, submit and (upon approval) implement plans to work more closely together so as to improve patient experience and outcomes. The scheme introduces a pooled budget funding regime which also incorporates a reward element, dependent upon the achievement of agreed targets in reducing non-elective hospital admissions. The Wirral BCF submission was “approved with support” in October 2014 and implementation begins in April 2015.

The objective of the audit was to provide assurance that the arrangements in place for the implementation of the Better Care Fund from April 2015 are robust. This concentrated on the risks to Wirral Council.

There is a significant amount of work ongoing to determine the detailed operating arrangements to be utilised from April 2015 onwards. For this reason, formal recommendations were not included within the report, but attention was drawn to areas that require completion prior to the full implementation of the Better Care Fund schemes. These were:

- Completion of the work on performance monitoring
- Development of the performance dashboard
- Development of the s75 agreement, following a decision on whom will host the pooled budget
- Continued consideration of the Better Care Fund risks, and escalation to the Corporate Risk Register if risk scores increase
- Completion of detailed financial modelling in relation to the Better Care Fund schemes
- Development of the arrangements for information governance
- Finalisation of staffing arrangements to accommodate seven day working
- Processes in place so as to allow for remedial action to be taken in the event of the underperformance of a provider.

The overall organisational risk opinion was Moderate - The likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to moderate risk.

Further Internal Audit work will be undertaken post-April 2015 so as to review the effectiveness of these arrangements once the schemes are in operation.

#### 2.2.d Data Loss Prevention

Data loss prevention (DLP) is a specific term for a strategy for making sure that end users do not send sensitive or critical information outside the corporate network. The term is also used to describe software products that help to control what data users can transfer. For example, it may be acceptable to send some types of information to a 3<sup>rd</sup> party via standard email, but more sensitive information may need to be sent by more secure means, eg encrypted email.

Wirral's Information Asset Owners (IAO) are in the process of completing the Information Asset Management Tool (IAMT) for each Information Asset. The IAMT helps IAOs to determine and document the criticality and sensitivity of the information, the associated risks, and any restrictions on how the information can be shared. Information gathered through the IAMTs will be used to inform Wirral's DLP implementation. For example, by ensuring that sensitive information cannot be saved to removable media, or that secure email is available to all staff who need it. The Information Governance Board chaired by the Strategic Director for Transformation and Resources is

currently overseeing work being undertaken in this area to develop effective policy and procedure. Internal Audit also has a standing representative on this board and provides ongoing input to work in this area.

#### Information Security Incidents:

An information security incident refers to any event that may compromise the confidentiality, availability or integrity of Council information. This includes the loss of or damage to any ICT equipment that stores or processes Council information or the disclosure of information to someone not authorised to see it. Wirral Council's Information Security Policy requires all staff to report possible information security incidents so that remedial action can be taken and the possibility of similar events occurring again are reduced. Many reported incidents can be regarded as a "near miss" where an incident was reported but there is no evidence that information was compromised, eg if the lost asset was subsequently recovered.

The Information Governance Board oversees and monitors all information governance and security activity and directs ongoing work to avoid these type of issues arising through the development of a corporate culture whereby officers are provided with best practice guidance through the Information Security Policy and are actively encouraged to report any incident of this nature. The designation of a Senior Information Risk Officer and Information Asset Owners, and the development of an infrastructure for the promulgation of good practice, has created a robust information management framework to reduce the occurrence of information security incidents, together with clear reporting and response procedures for when they do occur.

All reported information security incidents are recorded, categorised and investigated, and actions are taken to reduce the likelihood of a similar incident occurring again. In 2014, there were no formal referrals to the Information Commissioner. However there were a number of reported security incidents and near misses that related to subjects including:

Email – eg incorrect recipients (internal); suspicious emails received by Council staff.

Loss of physical device – eg: encrypted USB stick.

Printing – information not collected promptly from a printer.

By encouraging staff to report all information security incidents, including "near misses", it is possible to target resources in the areas which will have most effect. For example, by configuring printers so that information is not printed unless a PIN is entered, encrypting all laptops, and sending regular security reminders to staff.

The Information Governance Board regularly reviews information security incident reports so that appropriate action can be taken to address emerging risks.

## 2.3 Outstanding Audit Recommendations

- 2.3.a Attached at Appendix 1 is a table identifying information relating to those audits where recommended actions included in audit reports for the 2014/15 year to date have not currently been implemented.

2.3.b Where items are addressed by officers those entries will be removed from the report on a rolling basis. At the request of Members the date of the original audit as well as the date of the follow up audit has now been included in the table where relevant.

2.3.c All of the reports identifying outstanding actions are RAG rated as ‘amber’ indicating that progress is being made to address identified issues.

## 2.4 Internal Audit Performance Indicators

2.4.a The Service constantly evaluates and measures the effectiveness of its performance in terms of both quality and productivity by means of a number of performance indicators in key areas as identified below. These include delivery of the annual Internal Audit Plan and ensuring that all of the audits identified in the plan are completed on schedule. This is particularly important at the present time as the requirement for Internal Audit involvement in a number of important corporate initiatives has increased dramatically.

IA Performance Indicator	Target	Actual
Percentage delivery of Internal Audit Plan 2014/15.	92	89
Percentage of High priority recommendations agreed with clients.	100	100
Percentage of returned client survey forms indicating satisfaction with the Internal Audit service. (Numbers returned indicated in brackets)	85 (22)	100 (26)
Percentage of internal audit reports issued within 10 days of the completion of fieldwork.	100	98

2.4.b There are currently no issues arising.

## 2.5 Internal Audit Developments

### 2.5.a Continuous Improvement

This is important to the overall efficiency and effectiveness of the Internal Audit Service and as such the Internal Audit Improvement Plan has been revisited and updated to incorporate the findings from the self assessment exercise recently undertaken to evaluate the service against the new Public Sector Internal Audit Standards. A separate update on this was presented to the Committee at the previous meeting and further updates will continue to be provided as progress is made.

Some of the actions taken during the year include

- The implementation of revised audit reporting arrangements incorporating opinions on systems, compliance and organisational impact; further developments are currently taking place in this area,
- The introduction of Letter of Engagement for all audits,
- The introduction of a Training and Development Program for audit staff,
- Developed reporting arrangements for Chief Officers and Members,
- The implementation of a three year Strategic Internal Audit Plan directly linked to the key corporate priorities,
- Improved engagement with Chief Officers, managers and Members,
- The introduction of enhanced escalation procedures for audit issues identified,
- Improved reporting arrangements for ARMC members including bi-monthly RAG rated update reports,
- Significantly restructuring and refocusing the service in line with other best practice providers,
- The adoption of a new Code of Ethics for Internal Audit.
- The development of a Mersey region Counter Fraud group led by Wirral Internal Audit.
- Completion of new Public Sector Internal Audit Standards self-assessment exercise.

### **3.0 RELEVANT RISKS**

- 3.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.
- 3.2 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 No other options considered.

### **5.0 CONSULTATION**

- 5.1 Members of this Committee are consulted throughout the process of delivering the Internal Audit Plan and the content of this regular routine report.

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 There are none arising from this report.

### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 There are none arising from this report.

### **8.0 LEGAL IMPLICATIONS**

- 8.1 There are none arising from this report.



## **9.0 EQUALITIES IMPLICATIONS**

9.1 There is no relevance to equality.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are none arising from this report.

## **12.0 RECOMMENDATIONS**

12.1 That the report be noted.

## **13.0 REASON FOR RECOMMENDATION**

13.1 To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.

13.2 To ensure that risks to the Council are managed effectively.

13.3 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

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## **APPENDICES**

Appendix 1: Audit Recommendations Status Report

## **REFERENCE MATERIAL**

Internal Audit Plan 2014/15

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	Routine report presented to all meetings of this Committee.

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**INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS  
PERIOD: 01 JANUARY 2014 TO 28 FEBRUARY 2015**

<b><u>Summary</u></b>	<b>Total</b>	<b>R</b>	<b>A</b>
<b>1. Completed Audits</b>	<b>30</b>	<b>0</b>	<b>30</b>
<b>2. Follow Up Audits Completed</b>	<b>7</b>	<b>0</b>	<b>7</b>

**INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS**

**PERIOD: 01 JANUARY 2014 TO 28 FEBRUARY 2015**

**1. Completed Audits - RED or AMBER flag**

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Creditors - NFI 31/07/2014	Transformation & Resources (T&R)  [Resources]				The Payments Manager should undertake the following: (i) For the 3 duplicate payments identified, notify the relevant departments of the duplicate payments so that they can recover the monies owed to the council. (ii) For future NFI exercises ensure that matches are investigated thoroughly prior to completing the outcome on the NFI site. (iii) Request that those officers who have the responsibility of preparing internal invoices for payment through the Accounts Payable system and generate their own invoice numbers, be advised to ensure that invoice numbers are unique for each individual payment. For example on Business Rate refunds consideration should be given to include the Business Rate account number within the invoice number reference. (iv) Establish the reasons why duplicate payments identified have been processed through the Accounts Payable system and take appropriate action to prevent a reoccurrence.	6 (1)	December 2014  Strategic Director Transformation and Resources	Jan 15	Key recommendations agreed with management to address issues identified and improve systems of control during the NFI exercise have now been implemented, including appropriate action to recovery a small number of duplicate creditor payments. The remaining recommendations are in the process of being implemented and the follow up review is currently underway.	A
Corporate Complaints Procedure (DASS, Environment & Regulation, Business Processes) 08/08/2014	T&R  [Business Processes]	Substantial	Substantial	Moderate	The audit resulted in 4 x Medium recommendations and 2 x Low recommendations.	6 (0)	December 2014  Strategic Director Transformation and Resources	Jan 15	Follow up audit is soon to be finalised to evidence implementation of the recommendations.	A
Procurement of Commissioned Care (Domiciliary Care and Reablement Services) 29/08/2014	Families & Wellbeing (F&W)  [DASS]	Substantial	Limited	Moderate	The audit resulted in 2 High, 3 Medium and 2 Low recommendations Arrangements must be put in place by the department to ensure that for all future procurement exercises it conducts, it is satisfied that the 'signing' element of the procurement process will be in accordance with Contract Procedure Rules. A final list of Tier 3 providers must be compiled ensuring a contract is in place for each organisation (liaising with Legal in the process). This list should then be disseminated and utilised by the Contracts Team and the Care Arranging Team. Procurement and Legal should be notified to ensure the Contracts Register is updated accordingly.  The contract arrangements for those organisations who are not a Tier 1, 2 or 3 provider, but who are providing a service to Adult Social Services funded clients, must be clarified and resolved with Legal and Member Services.	7 (2)	October 2014  Strategic Director Families and Wellbeing	Mar 15	All recommendations agreed. The client acknowledged and supported the recommendations. Action will be taken, where applicable, to ensure implementation of the recommendations against the current contract. Where it is not possible to action against the current contract, implementation of the recommendation will be evidenced in future procurement exercises.	A
Cashiers Central System 28/08/2014	T&R  [Business Processes]	Substantial	Substantial	Minor	The audit resulted in 1 x medium priority recommendation and 3 x low priority recommendations.	4 (0)	December 2014  Strategic Director Transformation and Resources	Jan 15	All recommendations agreed.  The Cashiers function is subject to review under the Future Council work.	A
Annual Governance Statement Review 19/09/14	Authority-wide				The recommendations related to the emphasis required to be placed on the completion of the Performance Appraisal process, and the work now required (e.g. dissemination, awareness and future updates) to be undertaken to support the Code of Corporate Governance.	3 (3)	October 2014  Strategic Director Transformation and Resources	Jan 15	Recommendation agreed and monitoring is also being undertaken via the Corporate Governance Group.	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Business Travel Arrangements - Redfern Travel 02/10/2014	T&R [Resources]	Limited	Maximum	Moderate	The responsibility for the management of the Redfern Travel contract has not been established, nor assigned to nominated officers to lead on strategic issues, especially where the re-tendering of the contract is due for renewal within the next 12 months.	1 (1)	February 2015 Joint Chair of the Commissioning and Procurement Board	Feb 15	Final report issued to Joe Blott & Clare Fish Joint Chairs of the Commissioning and Procurement Board 20/11/2014	A
Regional Growth Fund - Project Delivery 07/10/2014	Regeneration & Environment (R&E) [Investment and Business]	Substantial	Substantial	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	January 2015 Strategic Director Regeneration and Environment	Apr 15	Final report issued.	A
Resource Link – Access Controls 22/10/2014	T&R [Human Resources and OD]	Limited	Limited	Moderate	The Information Asset Owner can improve controls to prevent inappropriate access to information through the production of an Access Control Policy, to be assured that user access to information is in line with business need, and by ensuring that the measures stated in the ACP are applied to the system and user settings, e.g. by enforcing password rules, switching on the audit trail for System Administration activity, and regularly reviewing user access.	14 (7)	TBC Strategic Director Transformation and Resources	Apr 15	Final report issued. Follow up work will be undertaken in April 2015.	A
Revenue Budget Cycle 2014-15 20/10/2014	T&R [Finance]	Substantial	Substantial	Moderate	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	April 2015 Strategic Director Transformation and Resources	Jul 15	Management has accepted the recommendations with the intention of implementing for the next financial year.	A
Performance Planning and Management 31/10/2014	Chief Executive [Policy, Performance and Public Health]	Moderate			Five recommendations were made which do not present a significant risk to the organisation.	5 (0)	February 2015 Director of Policy, Performance and Public Health	Apr 15	A follow up review is scheduled for 2015/16 (following the updates to the Corporate and Directorate Plans). Audit used to pilot revised Audit Report template - hence Control and Compliance opinions were not provided, but were replaced with an Organisational Risk Opinion. The details of the revised template will be shared with ARMC members and CESC once the pilot has been completed and the template finalised.	A
Protective Marking 30/10/2014	Authority-wide	Briefing paper for Information Governance Board (IGB) - no recommendations made or opinion provided			Briefing paper for Information Governance Board highlighting the need for classification and labelling of information assets.	0 (0)	To be presented to Nov 14 IGB	N/A	The Briefing paper was presented to the IGB on 6th November and actions agreed to update existing policies and determine information classification schemes currently in use.	A
Mobile Phone Security 18/11/2014	T&R [Resources]	Limited	Limited	Moderate	Ensure that technological controls are consistently applied on mobile devices to ensure the security of information received, stored and sent according to its information classification, by implementing a Mobile Device Management solution which satisfies the requirements of the Public Services Network code of connection.	9 (8)	June 2015 Strategic Director Transformation and Resources	Jun 15	Recommendations agreed with Chief Information Officer.	A
Ss Peter & Paul RC Primary School 06/11/2014	F&W [CYPD]	Maximum	Maximum	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	March 2015 Headteacher	Feb 15	Recommendations agreed with the Headteacher.	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Central Libraries - Cash Systems 10/11/2014	T&R [Business Processes]	Substantial	Limited	Moderate	All the outstanding recommendations for Wallasey Central Library as reported in October 2013 should be progressed to full implementation. The following should be applied consistently at all Central Libraries: i) An effective separation of duties should be in place for all stages of the income reconciliation and banking preparation. ii) All income and banking records should be signed by two senior members of staff to evidence an effective separation of duties. iii) A Z-reading should be produced each day for the daily income and reconciled to the income collected. iv) All income data should transferred accurately to the relevant income and banking records. v) All income should be banked on a weekly basis regardless of its value.	4 (2)	March 2015  Strategic Director Transformation and Resources	Apr 15	Recommendations agreed with Principal Librarian	A
Greasby Junior School 19/11/2014	F&W [CYPD]	Substantial	Maximum	Minor	Two recommendation were made which do not present a significant risk to the organisation.	2 (0)	March 2015  Headteacher	Mar 15	Recommendations agreed with the Headteacher.	A
Grove Street Primary School 20/11/2014	F&W [CYPD]	Substantial	Substantial	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	March 2015  Headteacher	Mar 15	Recommendations agreed with the Headteacher.	A
Fender Primary School 28/11/2014	F&W [CYPD]	Maximum	Substantial	Minor	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	March 2015  Headteacher	Mar 15	Recommendations agreed with the Headteacher.	A
Commissioning Referral 25/11/2014	Authority-wide	Special review			Review of procurement , payments and monitoring processes regarding this specific consultant must be applied to any future consultancy work.	11 (8)	January 2015  Strategic Directors	Jan 15	Recommendations agreed with Strategic Directors, immediate implementation of recommendations where practical.  An update was reported to ARMC in January 2015.	A
Heygate Primary School 05/12/2014	F&W [CYPD]	Substantial	Substantial	Minor	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	March 2015  Headteacher	Mar 15	Recommendations agreed with the Headteacher.	A
Millfields Primary School 05/12/2014	F&W [CYPD]	Substantial	Substantial	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	March 2015  Head Teacher	Mar 15	Recommendations agreed with the Head Teacher	A
ICT Business Continuity 09/12/2014	Universal and Infrastructure Services / Authority Wide	Limited	Limited	Moderate	Ensure that all Directorates include ICT business continuity requirements in their risk registers and CESG to approve the critical services list so that business continuity plans can be put in place using the new template.	4 (4)	March 2015  Strategic Directors	Mar 15	Recommendations agreed with the Senior Manager Health, Safety and Resilience and the Risk and Insurance officer, with action required by CESG. Jan 15 update: CESG have agreed a list of critical activities and associated work programmes to ensure that these critical services have suitable plans and arrangements in place to deal with a disruption or catastrophic failure - including ICT loss.	A
Affordable Housing Programme 10/12/2014	R&E [Investment and Business]	Reasonable assurances provided on the current progress of the programme framework.			Current developments: planning applications being evaluated; legal agreements, incorporating the evaluation framework, are being drafted; and a pipeline of future options is being developed.	0 (0)	May 2015  Strategic Director	May 15	Further work c/f to 2015/16 (Q1-2)	A
St Bridget's CE Primary School 15/12/2014	F&W [CYPD]	Substantial	Substantial	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	March 2015  Head Teacher	Apr 15	Recommendations agreed with the Headteacher.	A
Clare Mount Specialist Sports College 05/01/2015	F&W [CYPD]	Substantial	Maximum	Minor	One recommendation was made which does not present a significant risk to the organisation.	1 (0)	April 2015  Head Teacher	Apr 15	Recommendation agreed with the Headteacher.	A
MPF - Investment Operations 19/01/2015	T&R [Merseyside Pension Fund]	Maximum	Substantial	Moderate	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	June 2015  Strategic Director Transformation and Resources	Jun 15	All recommendations agreed.	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Better Care Fund 15/01/2015	F&W [DASS]	Moderate			This was a review of a developing system, therefore no formal recommendations were made. However, the report does highlight "Areas for Further Work", which will be reviewed in the post-April 2015 review.	0 (0)	N/A  Strategic Director Families and Wellbeing	May 15	No formal recommendations made. "Areas for Further Work" were agreed and work is in progress to address these.	A
Highways Maintenance Service 26/01/2015	R&E [Environment & Regulation]	Moderate			Ensure continuity of the service in the event of the absence of key members of staff.	1 (1)	May 2015  Strategic Director Regeneration and Environment	May 15	Recommendation agreed with the Senior Manager	A
Investigation 27/01/2015	R&E [Housing and Community Safety]	Investigation. Two reports produced in relation to Overtime & Enhancements and Fire Alarm activation. No audit opinion provided.			Eight recommendations were made which do not present a significant risk to the organisation.	8 (0)	May 2015  Strategic Director Regeneration and Environment	N/A	Recommendations agreed for immediate implementation with the Head of Regeneration.	A
Community Patrol 27/01/2015	R&E [Housing and Community Safety]	Limited	Maximum	Minor	Five recommendations were made which do not present a significant risk to the organisation.	5 (0)	May 2015  Strategic Director Regeneration and Environment	May 15	Recommendations agreed with the Head of Regeneration.	A
Risk Management 28/01/2015	T&R [Resources]	Moderate			Ten recommendations were made which do not present a significant risk to the organisation.	10 (0)	April 2015  Strategic Director Transformation and Resources	May 15	A follow up review is scheduled for June 2015 (this should provide time for any changes to processes for 2015/16 to become embedded). N.B. Audit used to continue to pilot the revised Audit Report template - hence Control and Compliance opinions not provided, and replaced with an Organisational Risk Opinion.	A
Creditors (IDEA) Testing 26/01/2015	T&R [Resources]	Substantial	Substantial	Minor	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	April 2015  Strategic Transformation and Resources	Jun 15	Recommendations agreed with the Payments Manager.	A

**INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS**

**PERIOD: 01 JANUARY 2014 TO 28 FEBRUARY 2015**

**2. Follow Up Audits Completed - RED or AMBER flag**

Audit / Follow-Up Date / Original Report date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
ICT Hardware Asset Register 04/02/2014  Mar 2013	Transformation & Resources (T&R)  [Resources]	Limited			Original audit resulted in 6 high and 1 medium priority recommendations. 1) VQSM should be used at the primary source for the Authority's Hardware Asset Register (HAR). 2) The Authority's HAR should be updated to include all hardware assets, and maintained in line with agreed procedures. 3) The project to develop "Here's My Asset", subject to demonstrating proof of concept, will assist the accuracy of the HAR, and its successful deployment should be prioritised by IT management. 4) All hardware assets connecting to the network should be visible to the Altiris Software. 5) Procedural guidance should require the immediate update of the HAR when an asset is to be added or deleted, where a segregation of duties should be achieved. 6) The accuracy of the HAR should be verified on a regular basis, and the results reported to IT Management.	7 (6)	April 2014  Strategic Director Transformation and Resources	Apr 15	All recommendations are not being implemented pending the outcome of the Windows7 project. This may render the specific recommendations obsolete, although the control weakness principles identified will need to have been considered.	A
Debt Management (Independent Review of Sundry Debt) 17/09/2014  Oct 2013	Families & Wellbeing [DASS] and T&R [Business Processes]	Follow up of external review			Independent Review of Sundry Debt resulted in thirty four actions.	34 (34)	2014/15  Strategic Director Transformation and Resources	Mar 15	Twenty five recommendations have been implemented . Three recommendations are no longer appropriate. Six recommendations are partially implemented, and have been discussed with the Director of Resources.  A review of the Personal Finance Unit is underway which will include an update on the outstanding recommendations.	A
Payment Card Industry - Data Security Standard 04/07/2014  Dec 2012	Authority-Wide	Minimum			Original review highlighted that the Council is currently not compliant with the standard, but appropriate measures, decisions and actions have or will be taken to ensure compliance in due course. 1 High priority recommendation is outstanding: 1) Determine and implement the most appropriate installation in the Customer Services Centre, ie running Paye.net in a virtualised environment, running two machines on each desk with a KVM (keyboard, video and mouse) switch, running machines in separate secure environment via RDP (remote desktop protocol).	3 (1)	March 2015  Strategic Director Transformation and Resources	Mar 15	The risks of non-compliance with the PCI DSS have been assessed as minor and, due to current higher priority resource demands, will be addressed as part of the longer term programme to upgrade the Wide Area Network infrastructure	A
Data Loss Prevention 30/10/2014  Feb 2014	Authority-Wide	Minimum	No compliance testing undertaken.	Major	A DLP policy for the management of information assets should be produced, agreed by the Information Governance Board, and made available to all staff. This will ensure the correct management of information via the delivery of a technical solution by IT Services and the development and enforcement of appropriate working practices by Information Asset Owners.	3 (3)	March 2015  Information Governance Board	Mar 15	The recommendations have been included in the briefing note to be taken to the Information Governance Board in November 2014, and the specific recommendations will be followed up in March 2015.	A
Capital Investment Programme 16/12/2014  June 2014	T&R  [Financial Services]	Substantial	Substantial	Moderate	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	September 2014  Strategic Director Transformation and Resources	Apr 15	The recommendations have been fully / partially implemented where possible. Assurances have been provided that the outstanding recommendations will be fully implemented following the Cabinet approval in February 2015 of the Capital Investment Programme for 2015-18	A
Council Tax Single Person Discount 12/01/2015  Oct 2013	T&R  [Business Processes]	Minimum	N/A	Moderate	The 1,309 matches remaining from the NFI exercise should be investigated.	1 (1)	March 2015  Strategic Director Transformation and Resources	Mar 15	The firm appointed by the Council Tax Manager has commenced the Single Person Discount review.	A



Audit / Follow-Up Date / Original Report date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
IT Services Disaster Recovery 13/01/2015  Nov 2013	T&R  [Resources]	Minimum	n/a	Major	IT Services' Disaster Recovery Plan should be documented, where the prioritisation of recovery tasks stated in the plan should reflect the documented requirements of business critical services.	4 (4)	May 2015  Strategic Director Transformation and Resources	May 15	Production of a documented DR plan is WIP, which has time lapsed due to resource utilised on w7 laptop and server upgrade programmes. IT Services will focus efforts in line with the production of BCPs by the (recently agreed) critical services.	A

**KEY:**

Control Environment		
<b>MAXIMUM</b>	There is a sound system of control designed to achieve the system objectives and these are being consistently applied. No High recommendations made or low priority recommendations have been made that cumulatively do not warrant 'substantial status'.	
<b>SUBSTANTIAL</b>	There is a basically sound system of control, but there are weaknesses in design and/or operation of controls which put some of the control objectives at risk. A medium priority recommendation has been made, or a large number of low priority recommendations made that cumulatively could meet the criteria for a medium priority recommendation.	
<b>LIMITED</b>	There are some weaknesses in the design and/or operation of the system of control which could have a significant impact on the achievement of the control objectives. Improvements could be made to a number of areas within the control environment so that the relevant risks are managed more effectively, a high priority recommendation has been made, or several medium priority recommendations that cumulatively meet the criteria for a high priority action.	
<b>MINIMUM</b>	There are weaknesses in the design and/or operation of the system of control which have had a significant impact on the achievement of the control objectives, and may put at risk the achievement of the organisation's objectives. More than one high priority recommendation identified.	
Compliance		
<b>MAXIMUM</b>	The control environment is operating as intended. No recommendations have been made or low priority recommendations have been made that cumulatively do not warrant 'substantial status'.	
<b>SUBSTANTIAL</b>	The control environment is substantially operating as intended. A medium priority recommendation has been made, or a large number of low priority recommendations made that cumulatively could meet the criteria for a medium priority recommendation.	
<b>LIMITED</b>	The control environment has not operated as intended and errors have been detected. Improvements could be made to a number of areas so that the relevant risks are managed more effectively, a high priority recommendation has been made, or several medium priority recommendations that cumulatively meet the criteria for a high priority action.	
<b>MINIMUM</b>	The control environment has fundamentally broken down and is open to serious error or abuse. Significant errors have been detected. More than one high priority recommendation has been identified.	
Organisational Impact		
<b>MAJOR</b>	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.	
<b>MODERATE</b>	The weaknesses identified during the review have left the Council open to moderate risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.	
<b>MINOR</b>	The weaknesses identified during the review have left the Council open to a low level of risk. If the risk materialises it would have a minor impact on the organisation as a whole.	
RAG status		
<b>G</b>	<b>Audits</b>	Actions agreed and implemented.
	<b>Follow Ups</b>	Actions implemented.
<b>A</b>	<b>Audits</b>	Actions agreed and officers committed to implement within agreed timescale.
	<b>Follow Ups</b>	Actions in process of being implemented within agreed timescale with some implemented.
<b>R</b>	<b>Audits</b>	Actions agreed
	<b>Follow Ups</b>	Little or no progress made to implement actions within agreed timescale.
Recommendation Priority Rating		
<b>HIGH</b>	A matter that is fundamental to the control environment for the specific area under review. The matter may cause a system objective not to be met. This needs to be addressed as a matter of urgency (suggested timescale: within one month).	
<b>MEDIUM</b>	A matter that is significant to the control environment for the specific area under review. The matter may threaten the achievement of a system objective.	
<b>LOW</b>	A matter that requires attention and would improve the control environment for the specific area under review. The matter may impact on the achievement of a system objective.	

## **WIRRAL COUNCIL**

### **AUDIT AND RISK MANAGEMENT COMMITTEE**

**18 MARCH 2015**

<b>SUBJECT:</b>	<b>INTERNAL AUDIT PLAN 2015-16</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>CHIEF INTERNAL AUDITOR</b>
<b>KEY DECISION</b>	<b>NO</b>

#### **1.0 EXECUTIVE SUMMARY**

- 1.1 The report identifies the Strategic Internal Audit Plan that was approved by this Committee in June 2013 and specifically includes audit work planned during 2015/16.
- 1.2 For 2015/16 work scheduled for completion has been adjusted to reflect the findings of the extensive planning exercise recently undertaken to ensure the ongoing relevance of risks previously identified, as well as the inclusion of any risks to the organisation that have emerged since the original exercise, or are likely to emerge in the near future.
- 1.3 The updated plan has been presented to the Senior Leadership Team and approved for implementation.

#### **2.0 RELEVANT BACKGROUND INFORMATION**

- 2.1 The Audit and Risk Management Committee is required by its terms of reference to advise on the adequacy of the Council's strategic risk management, internal control and governance processes.
- 2.2 The Public Sector Internal Audit Standards produced jointly by the Chartered Institute for Public Finance and Accountancy and the Chartered Institute of Internal Auditors sets out the expected professional standards for Internal Audit in Local Government.
- 2.3 The standards set out the requirement for a risk based internal audit plan. This report identifies the Strategic Internal Audit Plan for the three year period and within this the Annual Internal Audit Plan for 2014/15.

#### **3.0 RELEVANT RISKS**

If appropriate systems are not in place or are not effective there is a risk of potential failure of;

- 3.1 The Council not achieving its corporate objectives.

3.2 The potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

3.3 Meeting statutory requirements to provide adequate and effective systems of internal audit.

#### **4.0 OTHER OPTIONS CONSIDERED**

4.1 No other options considered.

#### **5.0 CONSULTATION**

5.1 Members of this Committee, Chief Officers and other stakeholders are consulted throughout the process of developing and delivering the Internal Audit Plan.

#### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 There are none arising from this report.

#### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

7.1 There are none arising from this report.

#### **8.0 LEGAL IMPLICATIONS**

8.1 There are none arising from this report.

#### **9.0 EQUALITIES IMPLICATIONS**

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) No because there is no relevance to equality.

#### **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising from this report.

#### **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are none arising from this report.

#### **12.0 RECOMMENDATION**

12.1 That in accordance with the terms of reference for the Audit and Risk Management Committee, Members should endorse the work proposed for in the Strategic Internal Audit Plan.

#### **13.0 REASON FOR RECOMMENDATION**

13.1 To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.

13.2 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

**REPORT AUTHOR:** Mark P Niblock  
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email: markniblock@wirral.gov.uk

## **APPENDICES**

Appendix 1: Strategic Internal Audit Plan 2013-16

## **REFERENCE MATERIAL**

CIPFA Code of Practice for Internal Audit in Local Government  
Chartered Institute of Internal Auditors Standards & Protocols for Internal Auditing  
Public Sector Internal Audit Standards

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	Annual report presented to March meetings of this Committee during last 3 years.

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**WIRRAL COUNCIL**

**INTERNAL AUDIT SERVICE**

**STRATEGIC AUDIT PLAN**

**2013 - 2016**

**Internal Audit Service  
Treasury Building  
Cleveland Street  
Birkenhead  
Wirral  
CH41 6BU**

## 1. PURPOSE

1.1. This document provides details of the three year strategic Internal Audit Plan for 2013-16.

1.2. The function of Internal Audit is set out in the Public Sector Internal Auditing Standards:

“Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

1.3. Internal Audit also has an important role to support the Director of Finance (Resources) in discharging statutory responsibilities, which include:

- S151 Local Government Act 1972 – to ensure the proper administration of financial affairs.
- S114 Local Government Act 1988 – to ensure the Council’s expenditure is lawful.
- Accounts and Audit Regulations 2011 – to ensure that an adequate and effective internal audit of the Council’s accounting records and of its system of internal control is undertaken in accordance with the proper practices in relation to internal control.

1.4. Internal Audit also seeks to assist Wirral Council in achieving its key priorities. Internal Audit contributes to these aims by helping to promote a secure and robust internal control environment which enables a focus to be maintained on these key priorities. This is more important to the Council than ever as it attempts to address the many significant issues and challenges facing the organisation and the public sector in this time of great change.

During this very difficult period the organisation requires a very strong internal audit function that is able to operate in a much wider and more strategic way, assisting the organisation by helping it to put in place a more efficient and effective control and governance environment.



## 2. INTERNAL AUDIT PLAN

2.1. In line with the Public Sector Standards the audit plan has been devised following a risk based approach using the following sources:

- The Corporate Risk Register
- Departmental Risk Registers
- Engagement with senior officers
- Discussions with the Director of Resources
- Review of the External Audit and Inspections reports
- A review of corporate strategies
- Cumulative audit knowledge and experience
- Engagement with other Heads of Audit
- Professional judgement on the risk of fraud and error

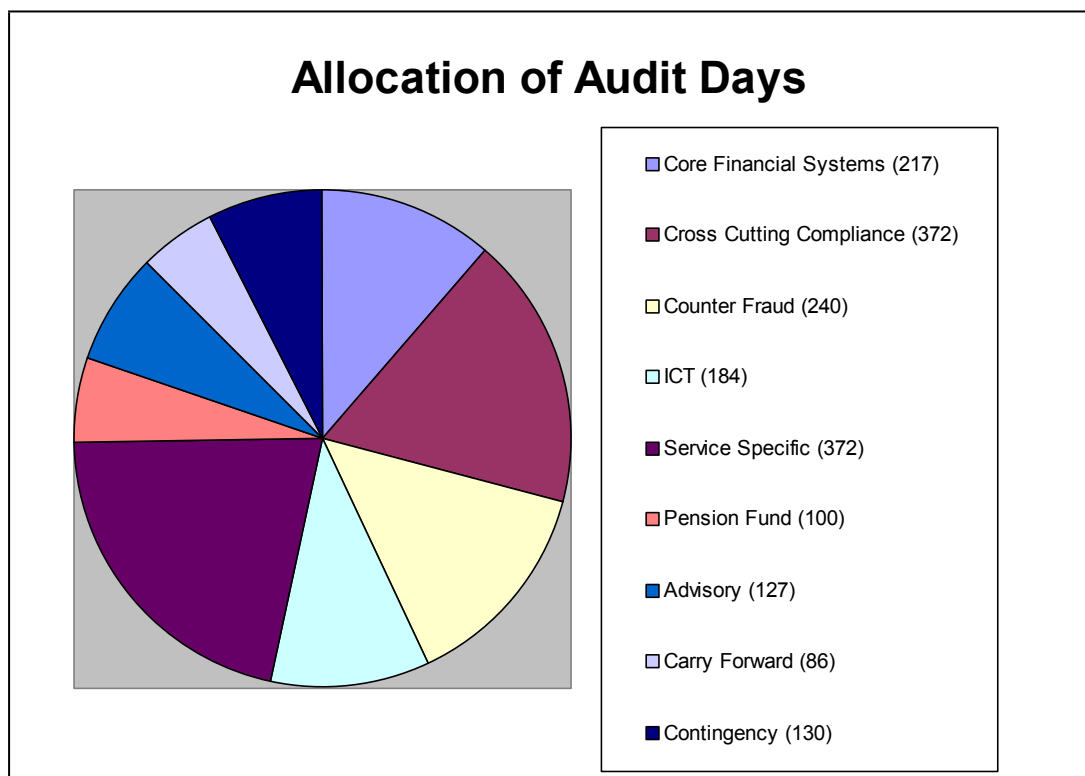
2.2. The allocation of audit days is summarised below. Audit days identified for 2015/16 onwards has been adjusted to reflect the establishment resource available at this time. This resource should be sufficient to enable delivery across all areas of the plan and provide the required annual audit assurance opinion. Comparative data obtained from other similarly sized public sector internal audit providers indicates that Wirral IA Services currently provide a very efficient and affordable service.

<b>Audit</b>	<b>2013/14 Audit Days</b>	<b>2014/15 Audit Days</b>	<b>2015/16 Audit Days</b>
Total Core Financial Systems	250	219	217
Total Cross Cutting Compliance	510	372	372
Total Service Specific	510	372	372
Total Pension Fund	100	100	100
Total ICT	250	214	184
Total Counter Fraud	250	257	240
Total Advisory	150	168	127
Total Carry Forward	100	86	86
Total Contingency	150	156	130
<b>Total Audit Days</b>	<b>2270</b>	<b>1944</b>	<b>1828</b>

2.3. Using the sources of information noted in paragraph 2.1 the plan has been drafted to balance the following:

- The requirement to give an objective and evidence based opinion on all aspects of governance, risk management and internal control,
- The requirement to provide a framework for co-operation with External Audit in planning and conducting audit work,
- The requirement to inform and support the production of the Annual Governance Statement for the Council,
- Significant control and governance issues recently identified and currently being addressed by the organisation,
- The corporate strategic vision for Internal Audit to add value through improving controls and streamlining processes,
- The allocation of time required for responding to queries on control issues,
- The allocation of time required for responding to fraud queries,
- The resource and skill mix available to undertake the work.

2.4. The split of audit days for 2015/16 is shown in diagrammatic form below.



- 2.5. A strategic three year approach has been taken to ensure that Internal Audit takes a wider more strategic view of risk and to ensure audit effort is utilised as efficiently and effectively as possible to mitigate risk in a rapidly changing work environment. This is particularly important for Wirral Council at present as a significant number challenges are in evidence and require the attention of senior management across the organisation. The audit plan is designed to inform that process providing relevant assurance opinions on systems either in place or developing and providing direction assessments regarding actions required to implement the necessary changes, efficiencies and improvements required.
- 2.6. The table below shows the audit days allocated against each audit area. It also notes an overview of the assurance that will be sought through work conducted. The exact scope of each piece of work will be agreed with Senior Officers and Managers prior to the work commencing to ensure that the key risks that are current at that time are being addressed.
- 2.7. There are a number of major changes taking place across the organisation that will come into force during the period of this audit plan such as the remodelling and transformation of the type of services that the Council provides and the way in which those services are delivered. These changes have been a significant consideration in the preparation of the audit plan and will continue to have a major ongoing impact on its delivery on account of the impact that these changes will have on the structure, culture, operational and control risk environment of the organisation.
- 2.8. As a result of these ongoing changes the audit plan will continue to be constantly revisited during the year and any necessary adjustments made to reflect the changing environment. Chief Officers, senior managers and Members will all have a role to play in this and it is my intention to ensure that regular scheduled meetings take place to discuss these developments, any emerging risks identified as a result of this and any required changes to the plan resulting.

Contingency days have also been identified within the plan to address any risks emerging during the period.

### **2015/16 Internal Audit Plan**

- 2.9 Changes that have been made to the audit plan for 2015/16 to reflect the outcome of the extensive risk planning exercise concluded recently and involving input from all stakeholders regarding new and emerging risks to the organisation include additional work in the following areas:

- Care Act
- Local Authority Company
- Transaction Centre
- Intensive Families Intervention Programme
- CYBER Security

This can be accommodated from within the agreed plan however it will be necessary to constantly examine the scope of some of those items during

year to ensure that coverage remains adequate and continues to address evolving risk profiles. This will involve continuous discussions with relevant stakeholders to determine the ongoing nature of the risks presented in these areas and identifying audit work that is commensurate with this.

- 2.10 The revised plan for 2015/16 contains sufficient audit coverage across all aspects of the Councils service delivery areas evaluating controls in key risk areas to meet the requirements detailed in 2.3 of this report.

Audit	Overview of Assurance	2015/16 Audit
<b>Core Financial Systems</b>		
Accounts Receivable/Debt Management	Full system and compliance audits to provide assurance over the effectiveness of the Council's core financial systems.  Detailed testing to evaluate compliance, challenge and effective reporting.	X
Accounts Payable		X
Income / Cash Management		X
Council Tax		X
Business Rates		X
Budget Control		X
Payroll		X
Benefits		X
Treasury Management		X
General Ledger		X
Financial Management and Accounting		X
<b>Total Core Financial Systems</b>		<b>217</b>
<b>Cross Cutting Compliance Audits</b>		
Risk Management	Review corporate and directorate arrangements for risk management including the extent to which corporate risk management policy is consistently applied.	X
Organisational Change	Targeted assessment and evaluation of the effectiveness of the control environment in key areas to mitigate the risk of potential large scale workforce change. Testing and evaluation of achievement of key targets. Review of controls over the administration of these developing systems to ensure that stated aims and objectives are achieved. Ongoing input into the organisational transformation and reorganisation of the Council.	X
AGS	Undertake work to support and assist in the preparation of the Annual Governance Statement.	X
Capital Programme	To provide assurance that the system in operation is fit for purpose and evaluation of compliance through testing including challenge member reporting.	X

Audit	Overview of Assurance	2015/16 Audit
Debt Management	To provide assurance on effectiveness of systems in operation across all directorates and evaluation of compliance through testing.	X
Performance Management and Planning	Review of corporate, directorate and management arrangements including governance and reporting.	X
Corporate Improvement	Evaluate actual coordination and delivery against a sample of targets, robustly challenging performance and assessing impact of achievement. Evaluate future arrangements following delivery.	X
HR Policies and Procedures	Assurance that core HR policies and procedures are being complied with (includes Whistleblowing, Grievances, Gifts and Hospitality, and Absence Management).	X
Constitution	Assurance that procedure rules are effective and are being complied with across the organisation. To provide assurance that corporate decision making processes and procedures in operation are efficient and effective, open and transparent and consistently applied.	X
Neighbourhood Working Community Engagement	Input to developing system providing advice and guidance on proposed controls over the Council's process for revising structures and responsibilities including Area Committees. Review the overall process for consultation and evaluate the effectiveness of arrangements for including outcomes and feedback into the policy decision making process.	
Regional Change Initiatives	Input to developing arrangements and systems providing assurance opinions as to the effectiveness.	X
Homelessness and Supporting People	Review, evaluation and input into developing arrangements and provision of opinions regarding effectiveness and fitness for purpose of 'combined' operations.	X
Strategic Commissioning and Procurement	To provide support and guidance into any developments in this area.  Providing assurance on corporate procurement strategies and policies and their operation across the Council, covering works, services, and supplies.	X
Public Health Contracts	Review of commissioning of major public health contracts including dissemination of any lessons learnt.	X
Health and Safety	To provide assurance that controls in operation in high risk areas are fit for purpose and evaluation of Chief Officer awareness of responsibilities.	X

Audit	Overview of Assurance	2015/16 Audit
Budgetary Control	To gain assurance that corporate budgeting process is effective and complied with by officers by reviewing a sample of departments arrangements.	X
Asset Management	To gain assurance that appropriate 'developed' arrangements are in place to ensure the usage of Council assets is monitored and optimised.	X
CREES	Annual review of Carbon Reduction evidence submitted to Environment Agency for accuracy and completeness and compliance with legislation.	X
Grants	Time allocation for grant certification work.	X
Partnerships	Review of partnership governance based upon a sample of partnerships taken from the corporate partnership register.	X
Culture	To gain assurance on effectiveness of Cultural Change including management framework and performance appraisal.	X
<b>Total Cross Cutting Audits</b>		<b>372</b>
<b>Service Specific Systems Audits</b>		
<b>CYPD</b>		
Adoption Reform	To gain assurance regarding delivery of responsibilities associated with new grant.	X
Residential Care - Quality	To gain assurance that the systems in place for monitoring payments and quality of service provision are operating effectively.	X
Schools	Individual School audits and ongoing support and guidance on effective control environments to be provided on a risk basis.	X
Schools Traded Services Arrangements	Input to developing systems providing control advice and guidance.	X
Establishments	Risk based review of centres covering all financial and general controls for fitness for purpose.	X
Intensive Families Intervention Programme (IFIP)	Review of controls in operation to ensure that IFIP grant requirements are achieved.	X
<b>DASS</b>		
Local Authority Trading Company	Appraise effectiveness of governance, performance and financial aspects.	X
Residential Home Payments	To gain assurance regarding effectiveness of systems and controls in operation over payment processes to ensure correct timely payments with no duplicates.	X

Audit	Overview of Assurance	2015/16 Audit
Procurement of Commissioned Care	To gain assurance regarding control over systems for procurement of care from private and voluntary sectors evaluating controls for effectiveness.	X
Safeguarding	Evaluation of effectiveness of controls in operation over care provision for vulnerable adults	X
Sport and Recreation	To gain assurance that all charges are appropriate, levied correctly and income due is collected. Evaluation of staffing resource issues.	
Better Care Fund	Review effectiveness of Better Care Fund systems following implementation in 2015.	X
Care Act	Assessment of readiness of organisation for implementation of new legislation.	X
<b>Regeneration / Environment</b>		
Parks and Countryside	Review of benefits realisation of in house service.	X
Highways Maintenance	Ongoing review and monitoring of effectiveness of controls in operation over management of contract and service provision.	X
Environmental Health	To gain assurance that controls in operation are effective, manage risks and ensure legislative compliance.	X
BIFFA Savings	Evaluate the potential of system to deliver projected savings over extended lifecycle of contract.	X
<b>Resources</b>		
Personal Finance Unit	To ensure the continued implementation of recommendations identified from the independent review are effectively implemented and completion on wider review of systems and controls across organisation.	X
Welfare Benefits Scheme	To provide support and guidance on controls within the new arrangements under welfare reform including the Welfare Assistant Scheme.	X
Transaction Centre	Assurance on effectiveness of systems of control Including Cash and Post functions.	X
<b>Transformation</b>		
Transparency	Evaluation and review to provide assurance over the effectiveness of controls in operation.	X
Legislative Compliance	To gain assurance that the systems in place for ensuring that the Council continues to comply with any relevant legislative changes are effective and efficient.	X
<b>Total Service Specific</b>		<b>372</b>



Audit	Overview of Assurance	2015/16 Audit
<b>Pension Fund</b>		
Investments	Review of items identified on Risk Register and evaluation of controls implemented to manage and mitigate risks.	X
	Annual review and evaluation through testing of key controls in operation to mitigate any risks to the fund.	X
Benefits and Payroll	Review and testing of Benefits and Payroll operation to provide assurance that controls in place are effective and being complied with.	X
Admin / Member Services	Review of controls in operation over processes in place for administering AVC's, Membership, Admitted bodies and Transfers.	X
<b>Total Pension Fund</b>		<b>100</b>
<b>ICT</b>		
Information Assurance	Assess the developing corporate arrangements for the management of information and compliance with relevant legislation and best practice concerning FOI, Data Protection and Information Security. Gain assurance that arrangements in place over data sharing amongst related parties are robust, effective and comply with all relevant legislation and best practice including Public Service Network.	X
Business Continuity/Disaster Recovery	Assurance that corporate arrangements are fit for purpose and being complied with effectively.	X
ICT Applications and Infrastructure	To provide assurance that controls are in place to ensure the Confidentiality, Integrity and Availability of key ICT applications.  Assurance that appropriate controls are in place to ensure the resilience and correct operation of critical elements of the ICT Infrastructure.(hardware & systems software)	X
ICT Change	Assurance that controls put in place to manage and mitigate risks presented as a result of remodelling and change processes are adequate.  Input to developing ICT systems, whether in-house or procured, to ensure that they are fit for purpose, compatible with existing systems and ensure the confidentiality, integrity and availability of Council information.	X

<b>Audit</b>	<b>Overview of Assurance</b>	<b>2015/16 Audit</b>
Agile Working	To provide assurance that technical solutions meet the Authority's strategic requirements and that the associated risks are mitigated.	X
Public Health (Governance Toolkit)	Assurance that the Authority complies with Public Health information security standards.	X
<b>Total ICT</b>		<b>184</b>
	<b>Counter Fraud</b>	
Counter Fraud Strategies, Policies and Awareness Training	Update of internal fraud policies and evaluation of awareness and compliance across the Council and continued delivery of awareness training for all employees.	X
National Fraud Initiative	To identify possible cases of fraud from data provided through NFI and ensure that corrective action is taken in respect of any identified under/overpayment.	X
Fraud - Reactive	Investigations of allegations/referrals to Internal Audit	X
Fraud – Proactive	Risk based proactive work to prevent and detect fraud.	X
<b>Total Counter Fraud</b>		<b>240</b>
	<b>Advisory</b>	
Audit Queries	Time allocation for specific queries that arise from departments that require audit services.	X
Corporate Working Groups	Time allocation to contribute to Audit Working Groups	X
National/Regional Working Groups	Time allocation to contribute to Audit Working Groups	X
<b>Total Advisory</b>	Including Control Awareness training.	<b>127</b>
<b>Carry Forward</b>	Residual work from 2014/15	<b>86</b>
<b>Contingency</b>	Time allocation to allow for new emerging risks and unplanned work for example large investigations.	<b>130</b>
<b>Total Audit Days</b>		<b>1828</b>