

## **Matters arising from internal audit work completed during the period**

### **1 Introduction**

- 1.1 This report highlights key issues that the Audit and Governance Committee should be aware of to fulfil its role of providing independent oversight of the adequacy of the council's governance, risk management and internal control framework.
- 1.1 It summarises the work undertaken during the five months of the year to 31 August 2012 by the council's Internal Audit Service under the internal audit plan for 2012/13. The findings included in this report have been agreed with executive directors and shared with the Management Team.
- 1.2 A full table of all the audit work planned for 2012/13 is included at Appendix B, setting out brief notes of the progress made on each project and the outcomes where work has been completed. It also clarifies where planned assignments have been deferred or removed from the plan, and where additional work has been included in the programme for the year.
- 1.3 The Internal Audit Service continues to follow our risk-based audit methodology, using a risk and control evaluation-based approach ('RACE-based') combined with compliance testing of key controls, computer assisted audit techniques ('CAATs') and follow-up work.

### **2 Key issues**

#### **Corporate arrangements in relation to information governance**

- 2.1 Information governance controls remain in place where procedures have been set out in the past, but this control framework has not been well maintained in recent years. Where processes are already established they continue to be used by the officers who are aware of them, but little action has been taken for some time to ensure that there is any general awareness of the need for information security, how to guard this effectively, how to recognise that security has been breached and what action to take if it has. Additional time and resources will be required to reinvigorate the control processes in place and ensure that an adequate and defensible framework of information governance operates across the whole council.
- 2.2 We reported in June 2012 that we could provide substantial assurance over the use of emails by council officers, but we could give only limited assurance over incident and problem management. We have now also completed our work on data sharing with partners and can give only limited assurance over this area. The local arrangements employed by the service areas we tested are adequately designed to ensure that data is protected, but the council's overall corporate information sharing arrangements are out of date, incomplete and not complied with.

## **Internal Audit Service progress against plan 2012/13**

Audit and Governance Committee meeting 26 September 2012

### **Management of children's social care case referrals**

- 2.3 During 2011/12 we provided limited assurance in relation to the assignment of children's social care cases to social workers. In June 2012 we reported that we had followed up the action plan agreed by management, focussing on the key issues and performing some limited testing on the other agreed actions, but that the recommendations had not been implemented as intended by February and March 2012. We found in particular that cases were still allocated to ceased social workers and managers and that caseloads for ceased workers were not being reviewed on a regular basis.
- 2.4 In July 2012 we selected a sample of social workers who have recently left the council's employment and found that no cases were allocated to them on the social care system. We will undertake a full re-review of this area later in the year to confirm that management's action plan has been fully implemented.

## **3 Internal audit performance**

### **Annual client satisfaction survey**

- 3.1 We requested feedback during the summer of 2012 using a questionnaire available to all council officers via the Internal Audit Service's page on the council's intranet, and this was also made available to officers of our external clients. The response rate was better, at 35, than in the previous three years, when there have been between 22 and 27 responses.
- 3.2 The overwhelming majority of the officers who responded to the survey rate us as good or excellent and our clients have again recognised real improvements in our service to them. There is evidence of clearly measurable continuous improvement in the work of the Internal Audit Service that has been sustained over a number of years. However the Service continues to assess what we do and how we do it and to make changes as necessary.

### **Annual self-assessment against professional standards**

- 3.3 As part of the performance management framework for the service we have again also undertaken an annual self assessment against the CIPFA Code of Practice for Internal Audit in Local Government in the UK to assess compliance with this Code is undertaken. The results show a high degree of compliance but in accordance with good practice, the Audit Commission has completed its external review of the Internal Audit Service and this work has been separately reported to the Audit and Governance Committee.