# Final report on progress against the internal audit plan for 2018/19

| Service area | Operational area of activity | Audit work | Type* | Summary of findings | Date reported | Assurance |
|---|---|---|---|---|---|---|
| **Control framework: Governance and democratic oversight** | | | | | | |
| Pension Fund | Obtaining and understanding the assurance provided by LPP's own internal auditors. | Assessment of the assurance provided by Deloitte over the operation of the Pension Fund by Local Pensions Partnership Ltd (LPP). | N/A | At this point LPP has received assurance that its systems are effective in one case and effective with scope for improvement in two others, but two reports have recently stated that systems are ineffective, and two are still progressing through the company's own audit committee. | July 2019 | Limited |
| **Control framework: Business effectiveness** | | | | | | |
| Risk management | Preparation of the corporate risk register. | Confirmation that the risk management process is continuing to operate effectively as designed, including oversight by the Corporate Management Team (CMT). | 2 | The council's arrangements follow the principles set out in the International Risk Management Standard and are effectively followed. | July 2019 | Substantial |
| Pension Fund | Performance management in the Lancashire Pension Fund | Audit of the adequacy and effectiveness of performance management arrangements including reporting and data quality. | 1+2 | The Pension Fund Committee is advised by the Investment Panel and the Pension Board whose independent advisors and chair respectively have been appointed for their expertise, and is provided with sufficient, relevant information to assess and effectively challenge the performance of the Fund. | July 2019 | Substantial |
| Financial Management (Operations) | Delivery of the council's financial strategy and budget reductions. | Assessment of the adequacy and effectiveness of controls that will ensure that sufficient, or planned, savings will be achieved. | N/A | This work has not taken the usual form of a risk and control assessment and detailed testing. Although reserves are still being used to support the council's revenue budget, the extent of this support has now fallen. There is therefore some scope for adjustments to savings plans as schemes are implemented, and time to take action if the actual savings made from any given scheme vary from the profile originally agreed. | May 2019 | Moderate |
| A sample of all | Communication with staff across the council. | Assessment of the dissemination of information up and down the management chain. | 1+2 | The council's workforce is large, dispersed and varied, and there are variable practices in relation to managers' meetings with staff. Team meetings do not take place with all front line staff but the meetings we tested were generally open and participative. | January 2019 | Moderate |
| **Control framework: Service delivery** | | | | | | |
| **Adult Services and Health & Wellbeing** | | | | | | |
| Older People | Construction of care packages. | Consideration of the processes and controls within the Care Navigation service to construct and source care packages from suppliers based on approved support plans in the Liquidlogic Adults System (LAS), including an assessment of the accuracy of care package line items input into ContrOCC (the finance software for adult social care). | 1+2 | The Care Navigation team's guidelines are followed when support is commissioned and team leaders provide appropriate authorisation of the decisions made. However although consent to share information is obtained where relevant, there is a high level of non-compliance with data protection requirements and case details are not appropriately anonymised before being sent to the provider. | July 2019 | Moderate |

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| Older People | Use of the care portal by external care providers to claim payments for services provided to service users. | Audit of the system that manages payments to external care providers, focussing on information flows from providers and checks that ensure payments are accurate and valid. | 1+2 | There is adequate segregation of duties, and our testing indicated that a sample of payments to homecare framework providers and to residential care homes were all made correctly and in a timely manner. Further testing also verified the rates paid. | July 2019 | Moderate |
| Social Care (Health) | Training and development. | A review of the controls in place to ensure that staff at all levels and disciplines within the service are offered an appropriate level of training and support, and that there is appropriate monitoring of compliance with mandatory training requirements. | 1+2 | Training provision for adult social care workers is comprehensive and widely available, and provided in ways that enable most social care workers to access training in the manner most appropriate to them. | July 2019 | Substantial |
| Disability Services | Payroll claims and recovery of over/ underpayments to staff. | Assessment of controls over data input and authorisation, and the identification and recovery of overpayments within Disability Services, considering how errors can be reduced and efficiency increased. | 1+2 | Payment claims are input, approved and processed effectively and the overall process is not adversely affected by the time consuming and resource intensive input and approval processes. Procedures are in place to recover or reimburse any over or under-payments. | October 2018 | Moderate |
| All adult services | Ordinary residence | Assessment of the arrangements to establish service users' ordinary residence and to determine appropriate charges between local authorities. | 1 | The new governance arrangements and policy for ordinary residence will create a control framework to ensure that historic cases are appropriately reviewed and that adult social care staff have an escalation route for any disputes. However approval of the revised policy has been delayed and there is therefore no local guidance for staff to follow. Work is being undertaken to identify and then address any outstanding disputes regarding residence with other local authorities. | May 2019 | Moderate |
| Exchequer Services | Third party top-up payments. | Assurance that service users are being provided with appropriate information regarding the payment of third party top-up payments. | 1+2 | Service users are being successfully accommodated in residential care, and top up fees are being charged and collected but important documentation to support these financial arrangements, and to protect the interests of the council, service users and third parties, is not being obtained and held. | May 2019 | Limited |
| Disability Services | Medication practices across Disability Services. | Assurance over compliance with medication handling, administration policy and staff training across a sample of day services, supported living and short break services. | 1+2 | Policies, consistent with NICE guidelines are in place and are accessible to staff.<br>All staff have received appropriate accredited training, although this is not always refreshed at the desired intervals, and some annual observations were found to be delayed or missing. | January 2019 | Moderate |
| Policy, Information and Commissioning | Transforming community equipment. | Assessment following the transfer of the service to the council from the NHS and its work to improve its processes, including reconciliations of prescriptions to invoices. | 1+2 | Although the section 75 agreement and the associated pooled budget arrangement have not yet been implemented, there is appropriate governance, oversight and monitoring of the community equipment service | July 2019 | Moderate |

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| Disability Services | Supervision and support to front-line in-house care providers. | Confirmation that staff are subject to regular support and supervisory review to ensure compliance with professional body requirements for unregistered day services. | 1+2 | The framework of control is adequately designed to ensure the consistent application of supervision arrangements and ongoing development of staff within teams, but some action is required to improve some aspects of this and ensure that supervision is undertaken effectively across the service. | October 2018 | Moderate |
| Patient Safety & Safeguarding | Supervision and support to front-line social workers. | Confirmation that staff are subject to regular support and supervisory review to ensure compliance with professional body requirements. | 1+2 | There are examples of good practice across the service and the policy applicable to Adult Social Care services sets the framework for an effective and consistent approach to the supervision of relevant staff. However it is not consistently applied and the standard of supervision varies. One-to-one supervisions are held less frequently than the policy requires, some supervision contracts (where applicable) are not current, and there are insufficient processes for management to monitor the quality and frequency of supervision. | January 2019 | Limited |
| Children and Family Wellbeing | Children and Family Wellbeing Service: core offer. | Review of the control framework supporting delivery of the core offer to identify any gaps or inefficiencies. | 1 | The service operates appropriate governance arrangements, being subject to both internal and external challenge, and is proactive in its approach to service and performance improvement. A framework of policies and procedures supports service delivery, promotes a consistent approach and sustains a safeguarding culture. | July 2019 | Moderate |
| Health, Safety & Resilience | Implementation of the new corporate lone working system. | Assessment of any new corporate approach to managing the risks to lone workers, whatever service they work in, to understand the approach and document the risk and control framework. | 1 | The control framework established to implement and then operate the new corporate lone working system is adequately designed. | May 2019 | Substantial |
| Patient Safety & Safeguarding | Contract monitoring: Direct Payment Support Service | Audit of the system to monitor contracts for the provision of the Direct Payment Support Service. | 1+2 | No performance indicators are currently in place to measure this contract and no minimum service levels have been set. Whilst service delivery and compliance with the contract are reviewed each month, this is primarily based on activity reports submitted by the provider and the Contract Monitoring Team undertakes no independent verification to validate the number of service users being supported. | May 2019 | Limited |
| Patient Safety & Safeguarding | Contract monitoring: reablement service. | Audit of the system to monitor contracts for the provision of the reablement service. | 1+2 | The Contract Management team ensures that commissioned services are delivered in accordance with providers' contractual obligations and service specifications. Working together, the Contract Management and Commissioning teams ensure that the council receives value for money. | October 2018 | Moderate |

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| Patient Safety & Safeguarding | Contract monitoring: crisis support service. | Audit of the system to monitor contracts for the provision of the crisis support service. | 1+2 | The Contract Management team ensures that commissioned services are delivered in accordance with providers' contractual obligations and service specifications. Working together, the Contract Management and Commissioning teams ensure that the council receives value for money. | October 2018 | Moderate |
| Health Equity & Partnerships | Contract monitoring: sexual health service. | Audit of the system to monitor contracts for the provision of integrated sexual health services in Lancashire. | 1+2 | Formal contract review meetings and the use of a set agenda ensure that the service specification is adhered to, and service outcomes achieved. Monitoring these contracts requires a collaborative approach between two operational teams and the finance team, and work has begun to share and transfer knowledge between them. | October 2018 | Substantial |
| Exchequer Services | Public Health expenditure | Verification that the funds are being spent on appropriate public health functions. | 2 | The Public Health grant is being used for the purposes for which it was intended. | January 2019 | Substantial |
| Social Care (Health) | Hospital discharge and the use of short and long term residential care. | Review of the adequacy and effectiveness of the controls in place to ensure that, on discharge from hospital, service users are offered an appropriate range of supports to maximise their independence. | 1+2 | Service users are placed at the heart of the process to build on their strengths and achieve the outcomes they desire. The case management practices set up under the Passport to Independence programme are working well. Case notes are clear, concise and flow readily from admission to discharge and transfer to the community teams. | July 2019 | Moderate |
| **Education & Children's Services** | | | | | | |
| Governance Service | Child Protection Team: pre-proceedings and care proceedings. | Assessment of the Child Protection legal team's operation against its objectives as a key element of children's social services but independent of the work of the front-line social workers. | 1+2 | An adequately designed framework of controls has been established to enable the Child Protection Legal Team and Children's Social Care teams to work together to better address pre-proceedings matters for the courts. | May 2019 | Moderate |
| Safeguarding, Inspection & Audit | Information security within the service. | Audit using the framework created in 2017/18 to assess whether controls are operating effectively, specifically in reference to the number of data breaches and changes to the disciplinary procedures. | 2 | The services' managers have played a positive role in reducing incidents arising from human error, which was previously the most common cause of breaches. Both the Fostering, Adoption, Residential and YOT (FARY) service and the Safeguarding, Inspection and Audit (SIA) service have introduced additional controls and the number of reportable incidents has fallen | July 2019 | Moderate |
| Fostering, Adoption, Residential & Youth Offending Team (YOT) | Information security within the service. | | | | July 2019 | Moderate |
| Policy, Information and Commissioning | Continuing healthcare funding (CHC). | Assessment of the process in place to ensure that all available CHC funding is being obtained. | 1 | The framework of control to ensure that funding for the continuing healthcare of children in the council's care imposes a process across locality teams that promotes a consistent approach to multi-agency decisions and supports agreement on financial contributions to the provision of non-universal services. | July 2019 | Moderate |

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| Policy, Information and Commissioning | Commissioning and procurement of expert assessment and therapy provision. | Audit of the process by which the need for psychological assessment services is identified and approved, how providers are selected and how funding decisions are reached between the council and health services. | 1+2 | The need for assessments and therapy is generally recorded on care plans but there is insufficient information on the reasons for commissioning a specific service or provider to support managers' informed approval of them. The way in which providers are procured breaches the council's financial limits relating to quotations and tenders, and known providers are used repeatedly. | May 2019 | Limited |
| Children's Social Care | Prevention of child exploitation. | Review of the effectiveness of action to combat child sexual exploitation (CSE) through the operation of the pan-Lancashire standard operating protocol and the action of the council's CSE team. | 1+2 | The approach to safeguarding children from the risk of exploitation is not sufficiently coordinated and the council's operating model is not currently working effectively. The directorate's senior managers are aware of the issues and are taking action to review the current structure and processes, including reconsidering the centralised management structure. | July 2019 | Limited |
| Children's Social Care | Section 17 payments to children with disabilities. | Audit of the service's assessments in providing urgent assistance to families, including its decision-making and approvals process. | 1+2 | Because the statutory objectives in incurring the expenditure are so wide ranging it is important that there is clear guidance on what expenditure is appropriate. The council's guidance has been reviewed recently and is subject to further review, but at the time of our audit wide disparities remained in culture and practice across the county. | May 2019 | Limited |
| Children's Social Care | Residential placements process. | Assessment of the end-to-end process through which children in council care are placed with external residential care providers, including initial needs assessment, approval and selection of provider. | 1+2 | Increasing oversight is managing the need to better target placements and manage costs. Significant potential savings have been identified through a robust review process.<br>There is a systematic process for assessing need and identifying placement requirements but the process is not yet recorded in the social care manual and is inconsistently applied. Management approval is not always evident and payment of provider invoices is delayed due to unresolved queries. | October 2018 | Moderate |
| Children's Social Care | Children's Services improvement plan | Assessment of the controls in place to ensure that the planned improvements to the service, following Ofsted's reassessment in 2018, are achieved. | 1+2 | Governance of the improvements to Children's Social Care's services for children in need of help and protection, children looked after and care leavers is adequate and effective, and almost all of the 131 actions in the Getting to Good Plan have been delivered or are due to be delivered within the agreed timescale. | July 2019 | Substantial |
| Safeguarding, Inspection & Audit | Children's Services' in-service audit framework. | Assessment of the adequacy and effectiveness of controls over the operation of the audit framework including testing of audit activity on casework and supervisions. | 1 | We reviewed the control framework and concluded that it is adequately designed to mitigate the risks to compliance with practice standards and procedures. | May 2019 | Substantial |

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| Policy, Information and Commissioning | Implementation of the Prevent strategy. | Compliance with actions required to embed the Prevent strategy across the council to ensure all staff are aware of it and how to respond to any concerns. | 1+2 | The council is robustly engaged with the national agenda to prevent radicalisation, working effectively with its partners across the county. There are only a few small improvements that could be made, and these are being implemented. | May 2019 | Substantial |
| School Improvement | Exclusions from school. | Tests of schools' compliance with the council's policy. | 1+2 | The Pupil Access Team administers the exclusion process, managing and monitoring fixed and permanent exclusions, and works with schools and other council services to ensure the process is applied correctly. There are delays in making alternative provision for excluded students due to a lack of availability and budget constraints. | July 2018 | Moderate |
| Financial Management (Development and Schools) | Schools thematic audit: payroll. | Adequacy and effectiveness of controls to ensure the accuracy and completeness of payroll payments, supported by testing at a sample of schools. | 1+2 | We visited a sample of 15 schools across the county, including primary, secondary, specialist schools and colleges. Overall, the schools we visited have effective procedures in place to support their payroll processes although we found some minor weaknesses in some of the controls operated in individual schools. | May 2019 | Substantial |
| Financial Management (Development and Schools) | Schools' Financial Value Standard (SFVS) self-assessments. | Review of a sample of SFVS self-assessments submitted by schools for 2017/18 to ensure their assertions are supported by adequate evidence. | 2 | SFVS submissions for 2017/18 reflected schools' governance and financial arrangements. All schools submitted self-assessments and responses were supported by evidence of compliance. | July 2018 | Moderate |
| Fostering, Adoption, Residential & YOT | Contract monitoring: external residential placements. | Audit of the Access to Resources team's system to monitor external residential placement contracts. | 1+2 | The Access to Resources team's inspection of providers is reactive rather than proactive, but an inspection programme is being developed. Placement activity is impacted by some lack of compliance by social care staff with the placement process. | October 2019 | Moderate |
| Fostering, Adoption, Residential & YOT | Special Guardianship Order financial support | Assessment of the controls operating in localities to assess entitlement to special guardianship financial support. | 1 | Our initial assessment is that the new control framework is adequately designed, and some additional controls have been identified to enhance it further. | January 2019 | Moderate |
| **Growth, Environment, Transport & Community Services** | | | | | | |
| Customer Access Service | The Crisis Support Scheme | Assurance over the process for making emergency payments including compliance with policy, eligibility criteria etc. | 1+2 | There is an overarching crisis support policy together with detailed process guides for the administration of the scheme. Eligibility checks are undertaken, and the identity, financial status and circumstances of applicants is confirmed before support is granted. The scheme is delivered by external providers: there are contracts in place with clear service specifications and pricing mechanisms, and performance is regularly monitored. | January 2019 | Substantial |

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| Customer Access Service | Customer Access Service: business continuity. | Assessment of the adequacy and effectiveness of controls to manage business continuity in the event of loss of telephony services. | 1 | Once it has been enhanced and embedded, the business continuity plan will provide an adequate framework for business continuity. It requires amendment to address the specific responsibilities of members of the business continuity team and ICT disaster recovery arrangements. Training for those individuals with key roles is required to ensure they have the skills, capabilities and knowledge to perform effectively. | May 2019 | Moderate |
| Design & Construction | Contractors' compliance with legislative requirements. | Assurance that the in-house monitoring of contractors' compliance with contract specifications are appropriate to ensure legislative compliance. | 1+2 | Through its contractors, the council ensures that the buildings it occupies are compliant with health and safety regulations – testing takes place and remedial work is undertaken without undue delay. However there are significant weaknesses in the management of these contractors. | July 2019 | Limited |
| Design & Construction | Contract monitoring: contracts with Atkins and Jacobs. | Audit of the system to monitor services delivered through the Atkins and Jacobs contracts. | 1+2 | Commissioning activity is appropriately authorised and projects are allocated to the suppliers in accordance with the terms of the framework agreements. Payments are appropriately authorised and the commissioned work is monitored to ensure it happens within budget and in a timely manner. | July 2019 | Moderate |
| Highways | Highways Asset Management System (HAMS) operational effectiveness. | Re-assessment of the operation of the system, with compliance testing if appropriate and a focus on the payment of invoices arising from orders generated within the system. | 1+2 | The operational effectiveness of the system is still inadequate, but work is being undertaken by all the stakeholder teams to improve this. Work is under way to improve the quality of the data held within the system, the management information reports available, and guidance for users. | May 2019 | Limited |
| Highways | Highways Asset Management System (HAMS) improvement programme. | Assessment of the controls in place to ensure that the necessary improvements to the system and its operation are achieved. | 1+2 | The improvement plan is being properly overseen by a governance board and review group, both of which are operating effectively. Risks remain around the competing priorities for the different services involved. | May 2019 | Moderate |
| Highways | Contract monitoring: highways line-marking contract. | Audit of the system to monitor services delivered under the line-marking contract. | 1+2 | Contracts are let within a framework agreement. A work rates schedule has not been provided by a contractor so invoices cannot be properly checked. Checks are made to establish whether works are completed to contract standards, but the target of checking 10% of all contracts is not always achieved. | January 2019 | Moderate |
| Highways | Vehicle hire and return. | Compliance testing of the controls identified during 2017/18. | 2 | Vehicles are regularly monitored through the lease period to ensure they are being used and are still required, but the initial and ongoing need for additional vehicles should be more actively challenged to ensure value for money. | May 2019 | Moderate |

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| Public & Integrated Transport | Concessionary travel: NOW Card. | Audit of controls over the management of NOW cards including checking eligibility, financial management and the security of personal data. | 1+2 | Up-to-date policies and procedures are in place that comply with national requirements, and users' eligibility for NoWcards is determined in compliance with policy. A website supports the application process and an online application process is being developed. Cards reported lost or damaged are blocked and cannot be used, and replacement fees are correctly charged. | January 2019 | Substantial |
| Public & Integrated Transport | School bus passes. | Audit of the management of bus passes, including checking eligibility, financial management and the security of personal data. Eligibility assessments are done by the School Improvement service. | 1+2 | The council's policy complies with the requirements of the Education Act. Guidance on entitlement, eligibility and application process is published on the council's website and the scheme is publicised alongside the school admissions process. Applicants' eligibility is correctly and consistently determined in line with policy. | January 2019 | Substantial |
| Public & Integrated Transport | Heavy goods vehicle operator licences: compliance with licence requirements. | Assessment of controls to ensure compliance with licence requirements, focussing on requirements to ensure vehicles are roadworthy. | 1+2 | There are systems in place to manage compliance with license conditions, although evidence of the operation of some key controls is not consistently available. | July 2019 | Moderate |
| Lancashire Renewables | Governance and decision making. | Audit of the arrangements supporting effective governance and oversight by the council including the company's decision making, reporting and risk and performance management. | 1+2 | Governance arrangements are sufficient to support oversight and scrutiny by the council and action has been taken to ensure that it operates in full compliance with these. | October 2018 | Moderate |
| Lancashire Renewables | Expenditure | Audit of the company's procurement to ensure that spending is legitimate and appropriate. | 1+2 | Effective controls ensure expenditure is for legitimate business use. | October 2018 | Substantial |
| Business Growth | Business Growth Hubs. | Audit of the plans in place to complete the programme and expend the available funds before the programme ends in 2018, focussing particularly on controls over commissioning and procuring work from external suppliers. | 1+2 | Effective budget monitoring and a timely submission of claim forms have ensured that the funding allocated for the second phase of the programme has been properly expended. The contract procured for the Boost 3 programme meets the funder's procurement requirements as well as the council's. | May 2019 | Substantial |
| Financial Management (Development and Schools) | Commissioning, design and monitoring of the capital programme. | Compliance testing of the controls in place as they have become embedded, from project inception to its reporting in the council's financial statements. | 2 | There are effective processes in place to develop and implement the capital programme: assessing and approving projects, responding to political, policy and service decisions, ensuring the availability of funding, and aligning work with other organisations. | July 2019 | Moderate |
| Waste Management | Contract monitoring: waste landfill contract | Audit of the system to monitor services delivered under the waste landfill contract. | 1+2 | Effective processes are in place to monitor compliance with the contract, validate invoices, and ensure any issues are raised and addressed. The contracts and partnerships manager ensures that any issues are promptly addressed. | October 2018 | Substantial |

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| Pension Fund | New custodianship arrangements for the Lancashire Pension Fund | Audit of new arrangements following the award of a new contract, including compliance testing. | 1+2 | The Pensions Act requires the Pension Fund to have adequate internal control mechanisms in place, including arrangements for safe custody and security of the assets of the scheme. We identified no unmitigated risks in the course of our audit and no further action is required of management. | July 2019 | Substantial |
| **Control framework: Service support** | | | | | | |
| Exchequer Services | Recovery of costs/available income from partner organisations. | Assessment of controls across a sample of service areas to address the risk that the council does not fully recoup appropriate costs or income from partner organisations, including NHS contributions to care packages, or else takes on their roles at its cost. | 1+2 | Although improvements had been made to control the recovery of costs for care jointly funded with the NHS, debt over a year old amounted to over £1 million as at March 2018. | October 2018 | Limited |
| Skills, Learning & Development | 'Step up to Social Work' contract. | Assurance over operation of the contract used to place selected graduates onto a fast track scheme as leaders of the future. | 1+2 | The council is the lead authority in a regional partnership, which complies with the Department for Education's grant conditions for the programme. Amendments will be made to the process by which the training provider for future cohorts is procured. | January 2019 | Moderate |
| Corporate Finance | Corporate banking arrangements. | Identification and evaluation of adequacy of the control framework surrounding the new banking arrangements. | 1 | The council's financial regulations, policy, and the Finance team's procedures are clear and comprehensive, and are complied with. | October 2018 | Substantial |
| **Control framework: Business processes** | | | | | | |
| Exchequer Services | VAT. | Compliance testing of the key controls, including system configuration. | 2 | There are effective processes to ensure council VAT returns are complete, accurate and submitted on time, and council staff are supported by expert advice and online guidance. | July 2018 | Substantial |
| Payroll Service | Oversight of payroll payments. | Compliance testing of the key controls operated by the county council to ensure it properly oversees the processing of transactions on its behalf by BT Lancashire Services (BTLS). | 2 | The occurrence and value of overpayments has reduced, due largely to the proactive action by BTLS. However, the number of overpayments is still significant due mainly to late notification of payroll changes by council managers and budget holders inconsistently checking monthly payroll and establishment reports for errors. | July 2018 | Limited |
| Core Systems & Transformation | Oracle user access. | Support to the Core Systems & Transformation team as they review Oracle user access. | 1 | Oracle access controls are adequately designed but some action is required to enhance them further. | July 2019 | Moderate |
| Core Systems & Transformation | Liquidlogic Adults System (LAS) and LiquidLogic Children's System (LCS) user access permissions. | Assurance that user access permissions are appropriately granted and managed. | 1+2 | The majority of user access permissions we sampled are appropriate to officers' roles and responsibilities. Controls are generally adequately designed and effectively operated but there are a few areas where they could be strengthened | July 2019 | Moderate |

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| Governance Service | Information management: compliance with the new General Data Protection Regulations (GDPR). | Review of the policy and procedures supporting the introduction of GDPR, and specifically the council's achievement of the Information Commissioner's Office (ICO)'s 12-point checklist. | 1+2 | The council took effective action to ensure the council's information governance strategy, policies and procedures comply with GPDR requirements. A new framework was published and publicised, and information audits recorded the data the council holds and the lawful basis for processing it. | October 2018 | Substantial |
| Governance Service | Information management: information security and management. | High-level assessment of the way information is managed within critical service areas, following corporate policy. | 1+2 | The council's arrangements for managing information security are robust and operating effectively. In particular, increasing awareness of their importance has reduced the number of incidents caused by human error. | July 2019 | Substantial |
| Records Management | Information management: information storage and retention. | Review of the adequacy of corporate policies on document retention, referencing, filing structures and contingency arrangements including compliance testing within services. | 1+2 | The electronic records management system is used by some services, but others still save records on shared and local drives. Policies and guidance are available but services are not familiar with them and there is no mechanism to monitor adherence to them. | January 2019 | Limited |
| Human Resources | Allowances claimed by officers. | Audit of the adequacy and effectiveness of arrangements for claiming and approving officers' allowances including holiday pay, overtime, shift pay and miscellaneous claims with testing across a range of services. | 1+2 | Claims must be submitted on Oracle, which has some inbuilt validation controls but also requires managers' authorisation. Between them these controls have neither prevented nor detected a number of errors, but the value of erroneous claims is unlikely to be significant overall. | July 2019 | Moderate |
| Finance; BTLS; Human Resources | The use of contractors through personal service companies and compliance with IR 35. | Review of the policies in place to ensure compliance with IR35 and the level of compliance, focussing on agency staff. | 1+2 | Work is ongoing to develop and implement a control framework that will ensure the council complies with IR35 and there are a number of areas where improvements could be made. | July 2019 | Moderate |
| Financial Management (Development and Schools) | Accounting for capital projects and the integrity of the council's financial statements. | Assessment of the way the capital programme is accounted for. | 1+2 | The financial information presented to Cabinet includes the budget and forecast outturn for the financial year but a significant number of manual adjustments are made to the data generated by Programme and Project Management System (PPMS). | July 2019 | Moderate |
| Investment | Treasury management and investments. | Understanding and testing the key controls over investment of the council's funds, particularly in equities and property. | 1+2 | The council has approved and complies with a treasury management strategy, policy statement and detailed practices. This framework is compliant with The Chartered Institute of Public Finance and Accountancy's (CIPFA) code of practice and therefore with statutory proper practice. | May 2019 | Substantial |
| Exchequer Services | Accounts payable: central controls. | Compliance testing of the key controls and additional counter fraud analysis. | 2 | Controls over the Oracle system and the wider payments process are adequate and effective overall. Further action will be taken to strengthen the council's responses to some specific risks of fraud | July 2019 | Substantial |

* Type of audit: In accordance with the explanation set out in the audit plan, '1' is consultancy only; '2' is compliance testing only; '1+2' is a full risk and control evaluation; 'F' is follow-up testing.

**Final report on progress against the internal audit plan for 2018/19**

| Service area | Operational area of activity | Audit work | Type* | Summary of findings | Date reported | Assurance |
|---|---|---|---|---|---|---|
| Exchequer Services | Accounts receivable: central controls. | Compliance testing of the key controls. | 2 | The debt management function has been subject to considerable reorganisation and a backlog of debt is now being addressed. As at June 2019 invoices worth £17 million (almost 27% by value and more than 51% by number) had been due for over a year, but appropriate action is now being taken to resolve this high level of outstanding debt. | July 2019 | Moderate |
| Exchequer Services | General ledger. | Compliance testing of the key controls. | 2 | The general ledger is adequately controlled, and operated effectively. | May 2019 | Substantial |
| Exchequer Services | Cash and banking. | Compliance testing of the key controls. | 2 | The council's financial regulations, its income and debt management policy, and the Finance team's procedures are clear, comprehensive and complied with. | May 2019 | Substantial |
| Pension Fund | Core financial systems: cash flow management. | Audit of arrangements to ensure the Fund is able to meet payments as they are due. | 1+2 | A Pension Fund Treasury Management Strategy sets out how surplus cash is managed the short term and we confirmed that surplus cash is managed in accordance with this strategy. | July 2019 | Substantial |
| **Control framework: ICT processes** | | | | | | |
| Corporate Services and BTLS | Submission of the Data Security Protection Toolkit (DSPT). | Assessment of the DSPT submission in April 2018 and the validity of the assertions made. | 2 | The council has implemented an adequate framework for information governance and specifically for submission of the DSP toolkit, but some action is required by the council to assess the privileges associated with user accounts on LAS and LCS. | July 2019 | Moderate |
| Corporate Services and BTLS | IT asset management. | Review of the processes to identify and manage information assets, covering hardware, software and data. | 1+2 | The council's desktops and laptops are logically secure, although information on the custodianship and location of individual assets is inadequate once they have been deployed to officers. The council is still developing a number of key policies which are fundamental to the overall management of its IT assets and would assist its officers to work more flexibly, allowing further rationalisation of office accommodation. | July 2019 | Limited |
| Corporate Services and BTLS | ICT service governance | Review of the council's approach to setting its IT strategy, defining responsibilities, acquiring services, monitoring performance, managing risk and deals with assurance. | 1+2 | A draft report is being discussed with management. | To follow | |
| Corporate Services and BTLS | ICT programme and project management | Review of the programme and project management in place to oversee major development and implementation of IT systems and services. | 1+2 | Work is continuing. | To follow | |

* Type of audit: In accordance with the explanation set out in the audit plan, '1' is consultancy only; '2' is compliance testing only; '1+2' is a full risk and control evaluation; 'F' is follow-up testing.