# Hertfordshire County Council
# Internal Audit Progress Report
# 1 December 2017

## Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report
- Agree changes to the audit plan
- Agree to the removal of high priority actions now complete

# Contents

# 1. Introduction and Background

<u>Purpose of Report</u>

1.1 To provide Members with information on the position as at 15 November 2017, relating to:

a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Hertfordshire County Council Internal Audit Plan for 2017/18

b) Proposed amendments to the approved 2017/18 Audit Plan

c) 'Limited Assurance' audits issued since the last meeting of this Committee of which there are none in this reporting period.

d) Implementation status of previously agreed:

- high priority audit recommendations and agreement to remove completed actions; and
- medium priority recommendations

e) An update on performance management information.

<u>Background</u>

1.2 The 2017/18 Hertfordshire County Council Audit Plan was approved by the Audit Committee on 1 March 2017.

1.3 The Audit Committee receives periodic progress updates against the Internal Audit Plan and this is the third update report for the 2017/18 financial year.

1.4 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.

# 2. Audit Plan Update

<u>Delivery of Audit Plan and Key Audit Findings</u>

2.1 As at 15 November 2017, 52% of the 2017/18 Internal Audit Plan days had been delivered (calculation excludes unused contingency days). Appendix A to the report provides a status update on each individual deliverable within the audit plan.

2.2 The following reports have been issued and assignments undertaken in the period since 14 August 2017 which was the cut off period for the previous report that was brought to the Committee in September:

| Audit Title | Assurance Level | Number of Recommendations |
|---|---|---|
| **2016/17 Audit Plan** | | |
| **Environment** | | |
| Ringway Contract – Sector Specific Improvements | Substantial | No Recommendations |
| **Adult Care Services** | | |
| Pre-Paid Cards | Substantial | 2 Medium<br>3 Merits Attention |

| Audit Title | Assurance Level | Number of Recommendations |
|---|---|---|
| **2017/18 Audit Plan** | | |
| **Resources / Children's Services** | | |
| Early Years Payment Run Processes (consultancy review) | Not Assessed | 8 advisory recommendations |
| **Children's Services** | | |
| General Data Protection Regulations (GDPR) - Transmission of Sensitive Data | Moderate | 1 High<br>4 Medium<br>3 Merits Attention |
| **Environment** | | |
| Blue Badges | Substantial | 3 Merits Attention |
| **Grant Certification / Statutory Submissions** | | |
| Bus Subsidy Operators Grant | Unqualified Opinion | No Recommendations |
| Pot Hole Action Fund | Unqualified Opinion | No Recommendations |

| | | |
|---|---|---|
| Local Transport Capital Block Funding | Unqualified Opinion | No Recommendations |
| Disabled Facilities Grant | Unqualified Opinion | No Recommendations |

2.3 In addition to the above, the following draft reports have been issued to management for comment and response:

| Service | Audit Title | Month of Issue |
|---|---|---|
| **2016/17 Audit Plan** | | |
| **SIAS Joint Review** | PREVENT | August 2017 |
| **2017/18 Audit Plan** | | |
| **Environment** | Dropped Kerbs | July 2017 |
| **Adult Social Care** | Appointeeships and Deputyships | November 2017 |
| **Resources** | Cyber Security | October 2017 |

2.4 One activity from the 2016/17 audit plan remains in fieldwork stage, this being the SIAS Partnership Joint Review of Trading Activities.

2.5 In respect of progress on delivering audits within the 2017/18 audit plan, two audits are currently at quality review stage, 12 audits currently in fieldwork and 20 are at planning or terms of reference stage.

Schools' Audit Activity

2.6 All activities within the 2016/17 Schools Plan have been completed.

2.7 The schools' audit plan for 2017/18 identified three streams of activity:

a) **Theme 1** - Assessment of the effectiveness of internal control in relation to the requirements of the Schools Financial Value Standard (SFVS) (sample of 27 schools)

b) **Theme 2** – Safe Recruitment – to provide assurance that the sample schools comply with the statutory guidance in the Department for Education's publication "Keeping Children Safe in Education" and the Home Office Right to Work in the UK legislation, when undertaking recruitment activity (sample of 18 schools)

c) **Theme 3** – IR35 – to provide assurance that the sample schools are complying with the new IR35 (off payroll working) regulations that came into force in April 2017 (sample of 15 schools)

2.8    In respect of Theme 1, visits to all sampled schools have now been completed and 25 final reports have been issued. Of the remaining schools both are at draft report stage with responses from both schools currently being chased up to allow finalisation.

2.9    In respect of theme 2 (Safe Recruitment in Schools) visits have now commenced for eighteen sampled schools, with 10 draft reports and 1 final report issued. All visits are scheduled to be completed by the end of December 2017.

2.10   Finally for theme 3 (IR35 compliance) visits have now also commenced to the 14 schools remaining within the audit sample. Currently one draft report and one final report have been issued, with all visits again scheduled to be completed by the end of December.

2.11   As part of the above review, and at the request of IR35 project group, SIAS have also issued a questionnaire to all maintained schools to evaluate their understanding of the IR35 regulations and the internal control arrangements they have in place to ensure compliance. The work to co-ordinate and follow up responses is scheduled for completion in quarter three and the outputs will be used to assist the Council's work in providing training and guidance in schools to support their understanding and application of this new legislation.

2.12   To date we have not received any referrals for inclusion under the contingency allocation for schools due to become academies.

2.13   We continue to receive enquiries from schools regarding a range of financial matters and update the Frequently Asked Questions within the Internal Audit page on the Grid accordingly.

Proposed Audit Plan Amendments

2.14   Proposed amendments to the 2017/18 Internal Audit Plan and the reasons for these are set out below:

2.15   Resources

• Following discussions with the Council's External Auditors and Hertfordshire County Council's Finance Department, an audit of the Adult Care Services Feeder Systems has been added to the Key Financial Systems audit plan. This audit will provide assurance to the External Auditors over the robustness of control design and operation of this feeder system to support their Final Accounts

assurance work. A total budget of 15 days has been allocated to this project.

2.16 Grants

- Since the previous progress report SIAS have received four requests for grant certification activities relating to the Bus Subsidy Operators Grant, Pothole Action Fund, Local Transport Capital Block Funding and the oneTRANSPORT grant. A total of 7.5 days has been allocated for the completion of these activities, with three of the reviews now completed.

2.17 Adult Care Services

- At the request of the Assistant Director Planning & Resources the planned audit of Accommodation for Independence Programme (Adult Disability Service) has been cancelled as, following the outcomes of a national consultation on funding for supported accommodation, this programme is no longer being taken forward. A total of 14 days has been returned to the Council's contingency allocation.

2.18 Environment

- At the request of the Assistant Director (Strategy & Communications) the planned audit of Development Management Enforcement has been deferred to 2018/19. This is a result of planned changes to key policies, thereby reducing the value of an audit in the current year. A total of 14.5 days has been returned to the Council's contingency allocation.

2.19 Schools

- In order to accommodate the additional planned worked on IR35 compliance within schools (see paragraph 2.11), including an increased number of compliance visits, the audit budget for this theme has been increased by 16 days to a total of 43 days.

2.20 In respect of the plan additions above these have been resourced from the Council's audit plan contingency allocation, leaving a remaining contingency balance of 47.5 days. The exception is the change highlighted within paragraph 2.19, which have been resourced from the Schools contingency allocation, leaving a remaining balance of 15 days.

2.21 Additional minor changes have been made to the audit plan in order to reflect changes of 3 days or less, where original planned items are no longer required, or new activities have emerged.

Limited Assurance Audits

2.22    Since the previous progress report no Limited Assurance opinions have been provided by SIAS.

High Priority Recommendations

2.23    Members will be aware that a final audit report is issued when it has been agreed by management; this includes an agreement to implement the recommendations made. It is Internal Audit's responsibility to advise Members of progress on implementation of high priority recommendations; it is the responsibility of Officers to implement the recommendations by the agreed date.

2.24    An update on progress with implementing high priority recommendations is shown at Appendix B to the report.  Progress is summarised in the table below:

| HIGH PRIORITY RECOMMENDATIONS | | | | Not implemented by Due Date | |
|---|---|---|---|---|---|
| Total Number of Outstanding Recommendations at the start of this Follow Up Period | Implemented | Not Yet Due | No Longer Applicable | Partially Implemented – Revised Date Agreed | No Update Provided by Action Owner |
| 3 | 1 | 1 | 0 | 1 | 0 |
| % | 33.33% | 33.33% | 0% | 33.33% | 0% |

2.25    High priority recommendations relating to schools are excluded from this listing given both the volume of schools within the County and the relative risk of any single recommendation to the Authority as a whole.

2.26    Further details on the implementation status of the above management actions are provided within Appendix B of this progress report.

2.27    One new high priority recommendation has been made since our previous progress report to the Committee.

- GDPR - Transmission of Sensitive Data within Children's Services –

HR records (as at 20 July 2017) indicated that 1156 officers within Children's Services had not completed the mandatory iLearn Data Protection Module. In respect of the above, issues have been identified in relation to the accuracy of the iLearn statistics; with some staff on the report indicating they had completed the training. In response to the

report Management have already issued a reminder to all staff to complete the mandatory training, will follow up progress with all managers in November, will review the accuracy of iLearn completion rate recording and reporting with Corporate Colleagues and will review the training provided to the extended workforce such as Foster Carers.

2.28 The current progress of management in implementing the above actions is reported to the committee within Appendix B of this report.

Medium Priority Recommendations

2.29 The Committee's role in respect of medium priority recommendations is to be satisfied that there is a monitoring process in place and that, in general, agreed recommendations are being implemented.

2.30 The table below details the implementation status of medium priority recommendations that were due for implementation in the period since the last progress report.

| MEDIUM PRIORITY RECOMMENDATIONS | | Not implemented by Due Date | | |
|---|---|---|---|---|
| Total Number of Recommendations Followed Up in this Period | Implemented | Partially Implemented – Revised Date Agreed | Actions not commenced – Revised date Agreed | No Update Provided by Action Owner |
| 37 | 5 | 23 | 0 | 9 |
| % | 14% | 62% | 0% | 24% |

Performance Management

2.31 Annual performance indicators and associated targets are approved by the SIAS Board on an annual basis.

2.32 The actual performance for Hertfordshire County Council against the targets that can be monitored in year is set out in the table below.

| Performance Indicator | Performance Target for 31 March 2018 | Profiled performance at 15 November 2017 | Actual performance to 15 November 2017 |
|---|---|---|---|
| **1. Planned Days** – percentage of actual billable days against planned chargeable days completed (excludes unused contingency) | 95% | 54% | 52% |
| **2. Planned Projects *** – percentage of actual completed projects to draft report stage against planned completed projects | 95% | 50% | 49% |
| **3. Client Satisfaction** – percentage of client satisfaction questionnaires returned at 'satisfactory' level | 100% | 100% | 100%** |
| **4. Number of High Priority Audit Recommendations agreed as %** | 95% | 95% | 100% |

* Based on audit plan 'deliverables' at draft, final and audit closed stage including schools audits and items carried forward from 2016/17 that were not at draft report stage by 31 March 2017.

** 16 completed customer satisfaction surveys have been received during 2017/18, four of which relate to audits completed from the 2016/17 audit plan.

2.33   In addition, the performance targets listed below are annual in nature; Members will be updated on the performance against these targets within the separate Head of Assurance's Annual Report:

- **5. External Auditors' Satisfaction** – external audit has been able to draw assurance from the work of internal audit on relevant matters.

- **6. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee.  If there is no March meeting then the plan should be prepared for the first meeting of the financial year.

- **7. Head of Assurance's Annual Report** – presented at the June meeting of the Audit Committee.

**Hertfordshire County Council Audit Plan 2017/18**

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| **Corporate** | | | | | | | | |
| Annual Governance Statement 2016/17 | N/a | | | | 8 | SIAS | 8 | Complete |
| Annual Governance Statement 2017/18 | N/a | | | | 5 | SIAS | | Allocated |
| Head of Internal Audit Opinion 2016/17 | N/a | | | | 5 | SIAS | 5 | Complete |
| Whistleblowing - named contact and quarterly review | N/a | | | | 4 | SIAS | 4 | Through Year |
| | | | | | | | | |
| **Resources** | | | | | | | | |
| Resources Queries < 3hrs Activities | N/a | | | | 10 | SIAS | 5 | Through Year |
| | | | | | | | | |
| **Resources: Hertfordshire Business Services (HBS)** | | | | | | | | |
| Business Operations | | | | | 25 | SIAS | 15 | In Fieldwork |
| | | | | | | | | |
| **Resources: Finance** | | | | | | | | |
| Pensions - Administration | | | | | 30 | SIAS | 2 | TOR Issued |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| Payroll | | | | | 25 | SIAS | 6 | TOR Issued |
| Debtors | | | | | 25 | SIAS | 5.5 | TOR Issued |
| Creditors | | | | | 25 | SIAS | 2 | TOR Issued |
| General Ledger | | | | | 20 | SIAS | 1.5 | TOR Issued |
| Treasury Management | | | | | 15 | SIAS | 2.5 | TOR Issued |
| Adult Care Services – Feeder Systems | | | | | 15 | SIAS | | In Planning |
| SAP Systems Access | | | | | 15 | SIAS | | TOR Issued |
| eIncome | | | | | 15 | BDO | 5.5 | In Fieldwork |
| | | | | | | | | |
| **Resources: Property** | | | | | | | | |
| Carbon Reduction Commitment | Unqualified Opinion | 0 | 0 | 0 | 15 | SIAS | 15 | Final Report Issued |
| | | | | | | | | |
| **Resources: Technology** | | | | | | | | |
| Segregation of Duties / Access Controls | | | | | 20 | BDO | | Allocated |
| Cyber Security | | | | | 15 | BDO | 14.5 | Draft Report Issued |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| | | | | | | | | |
| **Resources: Human Resources** | | | | | | | | |
| Employee Expenses | Substantial | 0 | 0 | 4 | 15 | SIAS | 15 | Final Report Issued |
| Off Payroll Working (consultancy) | | | | | 5 | SIAS | 1.5 | Through Year |
| DBS and Risk Assessments | Moderate | 0 | 2 | 1 | 10 | SIAS | 10 | Final Report Issued |
| | | | | | | | | |
| **Resources: Legal, Democratic & Statutory Services** | | | | | | | | |
| LEP - Compliance with Assurance Framework | | | | | 15 | SIAS | 13 | In Fieldwork |
| | | | | | | | | |
| **Resources: Customer Engagement & Libraries** | | | | | | | | |
| Blue Badges | Substantial | 0 | 0 | 3 | 10 | SIAS | 10 | Final Report Issued |
| | | | | | | | | |
| **Council Wide Reviews** | | | | | | | | |
| Conflicts of Interest | | | | | 25 | SIAS | 3.5 | TOR Issued |
| Delegated Decision Making | | | | | 25 | BDO | 10.5 | In Fieldwork |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| Volunteering | | | | | 25 | SIAS | 23.5 | In Fieldwork |
| Business Continuity | | | | | 25 | SIAS | 15 | In Fieldwork |
| Serious and Organised Crime Audit | | | | | 25 | SIAS | 12 | In Fieldwork |
| Safeguarding | | | | | 25 | SIAS | | Allocated |
| | | | | | | | | |
| **Cross Service Reviews** | | | | | | | | |
| 0-25 Integrated Service (Children's Services and Adult Care Services) | | | | | 20 | BDO | | Allocated |
| Home to school / college transport (Children's Services and Environment) | | | | | 15 | SIAS | 5.5 | TOR Issued |
| Transport Infrastructure Assets (Resources and Environment) | | | | | 1.5 | SIAS | 1.5 | Audit Cancelled |
| Early Years Payment Run Processes | Not Assessed | 0 | 0 | 8 | 5 | SIAS | 5 | Final Report Issued |
| | | | | | | | | |
| **Adult Care Services** | | | | | | | | |
| Deputyship / Appointeeships | | | | | 15 | SIAS | 14.5 | Draft Report Issued |
| Integrated Commissioning Arrangements | | | | | 15 | BDO | 2.5 | Terms of Reference Issued |
| Application of Eligibility Thresholds (Older People Service & Adult Disability Service) | | | | | 20 | BDO | | Allocated |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| Data Security and Information Sharing | | | | | 15 | SIAS | 0.5 | In Planning |
| Direct Payments | | | | | 15 | SIAS | | Allocated |
| Provider Portal (Consultancy Advice) | | | | | 5 | SIAS | 1.5 | Through Year |
| Data quality - Business Process Compliance – Older People Service | | | | | 20 | BDO | 8.5 | In Fieldwork |
| Demography & Budget monitoring - Adult Disability Service | | | | | 20 | BDO | | Allocated |
| Payment of homes gross  - Consultancy Support | | | | | 1 | SIAS | 1 | Audit Cancelled |
| Accommodation for Independence Programme (Adult Disability Service) | | | | | 1 | BDO | 1 | Audit Cancelled |
| Adult Care Services Queries < 3hrs Activities | N/a | | | | 10 | SIAS | 5 | Through Year |
| Market oversight programme – consultancy activity / advice | | | | | 20 | SIAS | 19.5 | Quality Review |
| ACS Client Finances (Older People Service) | | | | | 5 | SIAS | 3 | In Fieldwork |
| | | | | | | | | |
| **Environment Services** | | | | | | | | |
| Bus Contracts | | | | | 15 | SIAS | 1.5 | In Planning |
| Dropped Kerbs | | | | | 12 | SIAS | 11.5 | Draft Report Issued |
| Highways Service - Highways Act 1980 Section 58 | | | | | 15 | BDO | 11.5 | In Fieldwork |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| Highways Service - Category 3 Works | | | | | 15 | BDO | | Allocated |
| Highways Services - PMnet Software Development Project | | | | | 10 | SIAS | 9 | Quality Review |
| Development Management - Enforcement | | | | | 0.5 | SIAS | 0.5 | Audit Cancelled |
| Compliance with CDM Regulations | | | | | 15 | SIAS | 5 | In Fieldwork |
| Environment Services Queries <3hrs activities | N/a | | | | 10 | SIAS | 5 | Through Year |
| WAMS (Waste Management System) - Consultancy Advice | | | | | 3 | SIAS | | Through Year |
| | | | | | | | | |
| **Children's Services** | | | | | | | | |
| Programme / Project Management | | | | | 20 | BDO | 1.5 | In Planning |
| Financial Monitoring of Schools | | | | | 15 | SIAS | 3 | In Fieldwork |
| Family Finding model | | | | | 5 | SIAS | 1 | Through Year |
| Quality Assurance Systems (Consultancy) | | | | | 10 | SIAS | 4 | In Planning |
| Customer Service Centre (safeguarding enquiries) | | | | | 20 | SIAS | | Allocated |
| GDPR – Transmission of Sensitive Data | Moderate | 1 | 4 | 3 | 20 | SIAS | 20 | Final Report Issued |
| Children's Services Queries <3hrs Activities | N/a | | | | 10 | SIAS | 5 | Through Year |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| | | | | | | | | |
| **Public Health** | | | | | | | | |
| Commissioning, Contract Management and Contract Payments | | | | | 20 | BDO | 11 | In Fieldwork |
| Immunisation in Schools | | | | | 0.5 | SIAS | 0.5 | Audit Cancelled |
| | | | | | | | | |
| **Community Protection** | | | | | | | | |
| Service Performance Management | | | | | 15 | BDO | | Allocated |
| Internal Quality Assurance Arrangements | | | | | 15 | SIAS | 3 | In Fieldwork |
| Trading Standards - Management of Evidence | | | | | 10 | SIAS | 4 | In Fieldwork |
| | | | | | | | | |
| **Shared Learning** | | | | | | | | |
| Shared Learning Newsletters and Summary Themed Reports | N/a | | | | 5 | SIAS | 2.5 | Through Year |
| Joint Review | | | | | 5 | | | Not Yet Allocated |
| | | | | | | | | |
| **Grant Claims** | | | | | | | | |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| Herts Chief Finance Officers Society | Unqualified Opinion | 0 | 0 | 0 | 2 | SIAS | 2 | Final Report Issued |
| Hertfordshire Education Foundation | | | | | 2 | SIAS | | Allocated |
| Hertfordshire Charity for Deprived Children | Unqualified Opinion | 0 | 0 | 0 | 1 | SIAS | 1 | Final Report Issued |
| Autism Grant | | | | | 2 | SIAS | | Allocated |
| LEP - Local Growth fund | Unqualified Opinion | 0 | 0 | 0 | 3 | SIAS | 3 | Final Report Issued |
| Integrated and structural maintenance grant | | | | | 2 | SIAS | | Allocated |
| Building Better Opportunities | | | | | 3 | SIAS | 2 | In Fieldwork |
| Disabled Facilities Grants / Home Improvement Agency | Unqualified Opinion | 0 | 0 | 0 | 5 | SIAS | 5 | Final Report Issued |
| LEP Capital Grant | Unqualified Opinion | 0 | 0 | 0 | 4.5 | SIAS | 4.5 | Final Report Issued |
| Bus Subsidy Operators Grant | Unqualified Opinion | 0 | 0 | 0 | 2 | SIAS | 2 | Final Report Issued |
| Pot Hole Action Fund | Unqualified Opinion | 0 | 0 | 0 | 1.5 | SIAS | 1.5 | Final Report Issued |
| Local Transport Capital Block Funding | Unqualified Opinion | 0 | 0 | 0 | 1.5 | SIAS | 1.5 | Final Report Issued |
| oneTRANSPORT | | | | | 2.5 | SIAS | | Allocated |
| Grants Contingency | | | | | 0 | SIAS | | |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| | | | | | | | | |
| **Other Chargeable** | | | | | | | | |
| Plan Delivery Monitoring | N/a | | | | 30 | SIAS | 20 | Through Year |
| Recommendations Follow-Up - Q1 | N/a | | | | 5 | SIAS | 5 | Complete |
| Recommendations Follow-Up - Q2 | N/a | | | | 5 | SIAS | 5 | Complete |
| Recommendations Follow-Up - Q3 | N/a | | | | 5 | SIAS | 5 | Complete |
| Recommendations Follow-Up - Q4 | N/a | | | | 5 | SIAS | | Allocated |
| Client Liaison | N/a | | | | 10 | SIAS | 5 | Through Year |
| Audit Committee | N/a | | | | 20 | SIAS | 14.5 | Through Year |
| 2018/19 Audit Planning | N/a | | | | 30 | SIAS | 3.5 | Allocated |
| Performance Data | N/a | | | | 3 | SIAS | 1.5 | Through Year |
| External Audit Liaison | N/a | | | | 2 | SIAS | 1 | Through Year |
| SIAS Development | N/a | | | | 40 | SIAS | 37 | Through Year |
| SIAS Board Meetings and Preparation | N/a | | | | 10 | SIAS | 7 | Through Year |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| Management of Scrutiny | N/a | | | | 5 | SIAS | 3 | Through Year |
| Management of Health & Safety | N/a | | | | 5 | SIAS | 2.5 | Through Year |
| Management of Shared Anti-Fraud Service | N/a | | | | 5 | SIAS | 3 | Through Year |
| Management of Risk Management and Insurance | N/a | | | | 5 | SIAS | 3 | Through Year |
| Public Sector Internal Audit - Self Assessment 17-18 | N/a | | | | 10 | SIAS | | Allocated |
| | | | | | | | | |
| **16/17 Projects requiring completion** | | | | | | | | |
| 16-17 Projects requiring completion | N/a | | | | 10 | SIAS | 10 | Complete |
| 16/17 Social Media | Substantial | 0 | 0 | 0 | 9.5 | SIAS | 9.5 | Final Report Issued |
| 16/17 Client Finances - Establishment Visits | Substantial | 0 | 4 | 0 | 12.5 | SIAS | 12.5 | Final Report Issued |
| 16/17 Training Records | Substantial | 0 | 0 | 3 | 10 | SIAS | 10 | Final Report Issued |
| 16/17 Ofsted Action Plan | Substantial | 0 | 1 | 2 | 7.5 | SIAS | 7.5 | Final Report Issued |
| 16/17 Overtime / Working Time Directive | Substantial | 0 | 0 | 1 | 6 | SIAS | 6 | Final Report Issued |
| 16/17 Pre-Paid Cards | Substantial | 0 | 2 | 3 | 8.5 | SIAS | 8.5 | Final Report Issued |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| 16/17 Joint Reviews | | | | | 1 | BDO | 0.5 | Quality Review |
| 16/17 Ringway - Service Sector Improvements | Substantial | 0 | 0 | 0 | 1 | SIAS | 1 | Final Report Issued |
| | | | | | | | | |
| **HCC Plan Contingency Balance** | | | | | **32.5** | | | |
| | | | | | | | | |
| **Schools** | | | | | | | | |
| Advice, queries and guidance for schools | N/a | | | | 20 | SIAS | 11.5 | Through Year |
| Liaison, awareness raising and training | N/a | | | | 25 | SIAS | 9.5 | Through Year |
| | | | | | | | | |
| Theme 1 - SFVS (25 schools) | N/a | | | | 114 | SIAS | 112.5 | Draft or Final Reports Issued |
| Theme 2 - Safe Recruitment (18 Schools) | N/a | | | | 70 | SIAS | 52.5 | In Fieldwork |
| Theme 3 – IR35  (15 schools) | N/a | | | | 43 | SIAS | 26 | In Fieldwork |
| 16-17 SFVS Returns Collation | N/a | | | | 10 | SIAS | 10 | Complete |
| 17-18 SFVS Returns Collection | N/a | | | | 5 | SIAS | 0.5 | Allocated |

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
|---|---|---|---|---|---|---|---|---|
| | | H | M | MA | | | | |
| Reporting 16/17 themes | N/a | | | | 10 | SIAS | 7.5 | Draft Reports Issued |
| Follow up schools with high priority recs or moderate assurance | N/a | | | | 15 | SIAS | 1.5 | In Fieldwork |
| Contingency - Schools Causing Concern | N/a | | | | 6 | SIAS | | Through Year |
| Contingency - Academy Conversions | N/a | | | | 6 | SIAS | | Through Year |
| Plan Monitoring | N/a | | | | 10 | SIAS | 9 | Through Year |
| Completion of 16-17 Audits | N/a | | | | 8 | SIAS | 8 | In Progress |
| **Schools Plan Contingency Balance** | | | | | 3 | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Total** | | 1 | 13 | 28 | 1637 | | 826.5 | |

**Key**

**H = High Priority**
**M = Medium Priority**
**MA = Merits Attention**
**RECS = Recommendation**
**BDO = new audit partner, replacing PWC from 1 April 2015**
**N/A = not applicable**

| No. | Report Title / Date of Issue | Recommendation / Original Management Response | Responsible Officer / Due Date | Management Comment as at October 2017 (previous commentary added where appropriate) | Status of Progress |
|---|---|---|---|---|---|
| 1 | **HCC Service User Managed Monies**<br><br>(Final Report Issued February 2015) | <u>Recommendation</u><br>All existing service users that are not currently managed under Appointeeship or Deputyship should be reviewed to ensure that HCC have the appropriate level of authority based on the level of support being provided.<br><br>For instances where significant levels of support are provided, appointeeships or deputyships should be used in all cases. If there are subsequent anomalies, these should be fully documented, approved by Senior Management and recorded on the Service User's file.<br><br><u>Management Response</u><br>**The review of the area of appointeeships and deputyships will form a specific workstream of this project.**<br><br>**A key area of review will be determining the responsibilities of HCC within this area from both a legal and regulatory basis. If it is confirmed that appointeeships and deputyships should be used more widely a full review of existing service users will be undertaken.**<br><br>**The project will also review how the existing scheme of delegation for approving expenditure for service users ensures that decision making is appropriate to the service user's needs, i.e. decision making is undertaken by those individuals that know the client best.** | Steven Lee-Foster, Assistant Director ACS Provider Services / David Price, Business Development Manager (ACS)<br><br><br>30 September 2015 | **August 2017 Update –**<br>The audit of tenant information and role of In House Services is continuing, which includes visiting services to review information held locally in relation to Mental Capacity Act, Care Plans and practice. This work is now reaching a conclusion and will be summarised into a clear action plan shared with Senior Management, Unit Managers, Care Management Teams and Audit.<br><br>**October 2017 Update -**<br>The audit of tenant information has now been completed and no significant concerns have been identified.<br><br>The audit outputs have identified the opportunity for additional work with Unit / Provider Managers, Care Management Teams and the Client Finance Team to review existing processes and workflows, with this being considered part of wider service development activities.<br><br>The monthly SIAS return, submitted by units, will be reviewed to ensure that it acts as an appropriate tool to provide assurance that unit managers understand and comply with agreed policies and processes. In addition, escalation processes will be created to deal with issues that cannot be resolved by units. | **Complete** |

**APPENDIX B     IMPLEMENTATION STATUS OF HIGH PRIORITY RECOMMENDATIONS**

| No. | Report Title / Date of Issue | Recommendation / Original Management Response | Responsible Officer / Due Date | Management Comment as at October 2017 (previous commentary added where appropriate) | Status of Progress |
|---|---|---|---|---|---|
| 2 | **Data Quality (Children's Services)** <br><br> **(Final Report Issued May 2017)** | <u>Recommendation</u> <br> It was recommended that Children's Services:- <br> • Review the Children's Services Data Oversight Strategy to ensure that it is consistent with the corporate Data Quality Strategy <br> • Formally allocate the Senior Information Risk Owner (SIRO) role to a named officer <br> • Ensure that each information system has a named officer for data quality. <br> • Set a clear target date for the implementation of the Master Data Roadmap/Golden Record project <br> • Set up regular data quality meetings across all departments and with external users <br> • Update the Data Quality Strategy to include information on how data quality is reported through the data governance hierarchy. <br><br> <u>Management response</u> <br> **Meet with Corporate colleagues to review the recommendations and determine the appropriate response from a corporate perspective.** <br><br> **Present a report to Children's Services Core Board to review the recommendations and agree proposed actions and owners.** <br> **Develop an action plan following on from decisions taken at Board.** | Jenny Eccles - Head of Business Infrastructure <br><br> July 2017 | **October 2017 Update -** <br> A meeting has taken place with Corporate colleagues and an approach has been agreed. <br> A report will be presented to CS Core Board in September 2017 <br><br> **November 2017 Update –** <br> The above report has been rescheduled to 6th December 2017 for presentation to Core Board | **Revised Target Date - 15 December 2017** |

| No. | Report Title / Date of Issue | Recommendation / Original Management Response | Responsible Officer / Due Date | Management Comment as at October 2017 (previous commentary added where appropriate) | Status of Progress |
|---|---|---|---|---|---|
| 3 | **GDPR – Transmission of Electronic Data (Children's Services)** <br><br> **(Final Report Issued November 2017)** | <u>**Recommendations**</u> <br> It was recommended that Children's Services (with the support of the Information Governance Team):- <br> • reminded staff of the requirement to complete Data Protection iLearn training <br> • positively confirm with managers that all staff have completed the training by a specified date. <br> • Undertake work to verify that all training records held are up to date and accurate, correcting any inaccuracies and implement ongoing monitoring to provide assurance that records remain accurate. <br> • Within the above reviews, include all members of the workforce, extending to areas such as Foster Care. <br><br> <u>**Management Response**</u> <br> • An email from Jenny Coles has been sent to all managers (July 2017) indicating that all staff must have completed the iLearn training.  This will be followed up with managers in November 2017 to confirm completion. <br> • Implementation of a monthly new starters report to be reviewed to enable managers to ensure iLearn module has been completed. <br> • Information Governance Unit to discuss with HR the issues regarding accuracy of iLearn completion data. <br> • A review of DP training provided to foster carers is in progress and methods to communicate more securely with foster carers are being developed with the Corporate Technology Team. <br> • Manual records of attendance on face to face training (which is considered over and above the iLearn mandatory training) prior to SAP to be inputted onto SAP to provide an overall report | Jenny Eccles - Head of Business Infrastructure and Elaine Dunnicliffe - Information Governance and Access Unit Manager <br><br> 31 January 2018 for completion of all actions (some having earlier completion dates) | N/a – action not yet due | **Not yet Due** |

| Levels of assurance | |
|---|---|
| **Full Assurance** | There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified. |
| **Substantial Assurance** | Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk. |
| **Moderate Assurance** | Whilst there is basically a sound system of control, there are some areas of weakness, which may put some of the system objectives at risk. |
| **Limited Assurance** | There are significant weaknesses in key control areas, which put the system objectives at risk. |
| **No Assurance** | Control is weak, leaving the system open to material error or abuse. |

| Priority of recommendations | |
|---|---|
| **High** | There is a fundamental weakness, which presents material risk to the objectives and requires urgent attention by management. |
| **Medium** | There is a significant weakness, whose impact or frequency presents a risk which needs to be addressed by management. |
| **Merits Attention** | There is no significant weakness, but the finding merits attention by management. |