SIAS
Shared Internal Audit Service
Hertfordshire in Partnership

Hertfordshire County Council
Internal Audit Progress Report
18 July 2018

Contents

Appendices

1. Introduction and Background

<ins>Purpose of Report</ins>

1.1 To provide Members of the Audit Committee with information on the position as at 29 June 2018, relating to:

a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Hertfordshire County Council Internal Audit Plan for 2018/19

b) Proposed amendments to the approved 2018/19 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.

<ins>Background</ins>

1.2 The 2018/19 Hertfordshire County Council Audit Plan was approved by the Audit Committee on 26 March 2018.

1.3 The Audit Committee receives periodic progress updates against the Internal Audit Plan and this is the first update report for the 2018/19 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

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

2.1 As at 29 June 2018, 17% of the 2018/19 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 12 March 2018 which was the cut off period for the previous report that was brought to the Committee in March 2018:

(Audit Committee Members should note that the summary below excludes any audits finalised since the last committee meeting that were included within the SIAS Annual Assurance Statement and Internal Audit Annual Report - presented to the Audit Committee on 15 May 2018)

Audit Title	Assurance Level	Number of Recommendations
2017/18 Audit Plan		
Adult Care Services		
Adult Care Services – Data Quality Business Process Compliance	Substantial	1 Medium 3 Merits Attention
Adult Care Services – Market Oversight Programme (consultancy review)	Not Assessed	Consultancy Review
Community Protection		
Community Protection – Trading Standards - Management of Evidence	Substantial	3 Medium 6 Merits Attention
Children's Services		
Customer Service Centre (safeguarding enquiries)	Substantial	1 Merits Attention
Council Wide		
Conflicts of Interest	Substantial	2 Medium 1 Merits Attention

Audit Title	Assurance Level	Number of Recommendations
2018/19 Audit Plan		
Grant Certification / Accounts / Statutory Submissions		
LEP – Growth Hub	Unqualified	N/a
Hertfordshire Education Foundation (HEF)	Unqualified	N/a

2.3 In respect of the above assurance levels and recommendation classifications, Committee Members are advised that for all draft reports issued after 1 April 2018 a revised range of opinions, classifications and definitions will be used. Appendix C of this report provides a full summary of the existing and revised classifications and definitions. The five completed 2017/18 assignments, summarised in the above table, were issued in draft prior to 31 March and therefore were assessed using the 2017/18 classification levels.

2.4 In relation to the background to the above change, Committee Members are advised that the use of "Good" and "Satisfactory" to replace the former "Full", "Substantial" and "Moderate" assurance levels is intended to provide greater clarity to stakeholders, in particular allowing the opinion to be understood even in the absence of the formal definition.

2.5 In respect of recommendation priorities, a new category of "critical" has been introduced. This allows audit reports to draw a clearer distinction between matters that are "critical" to the Council as a whole, as opposed to those issues that are of priority to an individual Service or Operational team (which will continue to be assessed using the three level priority scales). Finally, the former "merits attention" priority level has been renamed to "low" priority to provide greater clarity to readers of audit reports.

2.6 As part of the process for arriving at the final classifications and definitions, Committee Members are advised that SIAS undertook a review of assurance opinions used by other Local Authorities, private sector assurance providers and professional sector guidance, prior to arriving at the final outcome.

2.7 In addition to completed projects summarised in 2.2, the following draft reports have been issued to management for comment and response:

Service	Audit Title	Month of Issue
2017/18 Audit Plan		
Adult Care Services	Adult Care Services – Data Security and Information Sharing	May 2018
Children's Services	Children's Services – Financial Monitoring of Schools	May 2018
Adult Care Services	Application of Eligibility Thresholds (OPPD / LD)	June 2018

| **Cross Service Review** | Home to school / college transport (CS and Environment) | June 2018 |
| **Council Wide** | Business Continuity | June 2018 |

2.8   A total of eight audits from the 2017/18 plan were carried over into 2018/19 for the completion of fieldwork. Of the seven audits that are outstanding, three remain in fieldwork, two are in quality review stage and two draft reports have been issued to management for comment and response. Full details of each outstanding project can be found within Appendix A of this report.

2.9   In respect of the progress in delivering the 2018/19 plan, one audit is at quality review stage, three are in fieldwork and a further nine audits are at planning stage. All other audits in the plan have been allocated and will commence in line with the start dates agreed with management.

Schools' Audit Activity

2.10   The schools' audit plan for 2018/19 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 25 schools)

   b) **Theme 2** – General Data Protection Regulations – to provide assurance that the sampled schools have appropriate internal control arrangements in place to comply with the requirements of the GDPR (sample of 15 schools)

   c) **Theme 3** – IR35 – to provide assurance that the sample schools have appropriate internal control arrangements in place to comply with the IR35 (off payroll working) regulations that came into force in April 2017 (sample of 15 schools)

2.11   In respect of Theme 1, visits to the 20 schools programmed for completion in the Summer Term 2018 are in progress, with one final report issued, six draft reports and the remaining 13 audits either planned, in fieldwork or at quality review stage.

2.12   In respect of theme 2 (GDPR) and theme 3 (IR35), these themes are scheduled to commence in the Autumn term 2018.

2.13   Since the previous update report to the Audit Committee, SIAS has co-ordinated the completion of the Council's School's Financial Value Standard return to the Education Skills and Funding Agency. The Council was able to report that all 408 maintained schools (including Pupil Referral Units) had submitted a completed SFVS return to the Council. In addition the return provided the Council's confirmation that

a system of audit for schools is in place that provides assurance over their standards of financial management and the regularity and propriety of their spending.

2.14 To date we have not received any referrals for inclusion under the contingency allocation for schools due to become academies, or schools causing financial concern.

2.15 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.

<u>Proposed Audit Plan Amendments</u>

2.16 Proposed amendments to the 2018/19 Internal Audit Plan and the reasons for these are set out below:

2.17 Resources

- At the request of the Head of Accountancy Services, a benchmarking exercise on Fees and Charges has been added to the plan. A total of 5 days have been allocated for this review.

2.18 Grants

- The allocation for the certification of the LEP grant returns to the Cities and Local Growth Unit has been increased from three to six days in order to accommodate the certification of both the Local Growth Hub funding and the Capital Grant allocation.

2.19 Schools

- In order to support the completion of the Council's Schools Financial Value Standard Return (see 2.12), additional work was required to obtain SFVS returns from schools that missed the original submission deadline. A total of 5 additional days were allocated, increasing the final budget for this project to 20 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 52 days for the Council's main plan and 55 days for the Schools audit plan.

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.

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

High Priority Recommendations

2.23 Audit Committee 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 the Committee on progress of the implementation of high priority recommendations; it is the responsibility of Officers to implement the recommendations by the agreed date.

2.24 As highlighted within paragraph 2.5 of this report, SIAS have revised the classification levels for audit recommendations with effect from 1 April 2018. This progress report currently provides Committee Members with a detailed update on the progress of implementing high priority recommendations (see Appendix B), with the progress of medium recommendations limited to a numerical analysis.

2.25 Following the introduction of the new classification level of "critical", to highlight recommendations that are important to the Council as a whole, it is proposed that future progress reports will only provide detailed updates on critical recommendations. The existing numerical analysis of progress will continue to be provided for high and medium recommendations.

2.26 The above change will be implemented within the September 2018 progress report, however the Committee will continue to receive updates any current outstanding high priority recommendations or any arising from 17-18 audits assessed using the previous classification approach, until they have been fully implemented by management.

2.27 An update on progress with implementing high priority recommendations 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
2	0	0	0	2	0
%	0%	0%	0%	100%	0%

2.28 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.

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

2.30 No new high priority recommendations have been made since our previous progress report to the Committee.

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

Medium Priority Recommendations

2.32 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.

2.33 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
70	26	32	0	12
%	37%	46%	0%	17%

Performance Management

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

2.35 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 2019	Profiled performance at 29 June 2018	Actual performance to 29 June 2018
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	20%	17%
2. Planned Projects * – percentage of actual completed projects to draft report stage against planned completed projects	95%	13%	11%
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 2017/18 that were not at draft report stage by 31 March 2018 or included within the SIAS 2017/18 Annual Assurance Statement and Internal Audit Annual Report.

** No completed customer satisfaction surveys have been received during 2018/19 to date.

2.36 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.

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Hertfordshire County Council Audit Plan 2018/19

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Corporate									
Annual Governance Statement 2017-18	N/a					8	SIAS	8	Complete
Annual Governance Statement 2018-19	N/a					5	SIAS		Allocated
Head of Assurance Annual Opinion and Annual Report	N/a					5	SIAS	5	Complete
Whistleblowing - named contact and quarterly review	N/a					5	SIAS	1.5	Through Year
Resources									
Resources Queries < 3hrs Activities	N/a					5	SIAS	2	Through Year
Resources: Hertfordshire Business Services (HBS)									
Strategic and Financial Planning						15	SIAS		Allocated

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Resources: Finance									
Pensions - Administration						20	SIAS		Allocated
Payroll						20	SIAS		Allocated
Debtors						20	SIAS		Allocated
Creditors						20	SIAS		Allocated
General Ledger						20	SIAS		Allocated
Treasury Management						15	SIAS		Allocated
Systems Access (SAP)						20	SIAS		Allocated
Local Enterprise Partnership (LEP)						15	SIAS		Allocated
Resources: Property									
Carbon Reduction Commitment						15	SIAS	2	In Planning
Residential Accommodation (Use by Council / 3rd Party Staff)						15	SIAS	0.5	In Planning
Property and Estate Management						20	SIAS		Allocated

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Resources: Technology									
ICT Maintenance						20	BDO		Allocated
Cyber Security (follow up review)						10	BDO		Allocated
Resources: Assurance Services									
Risk Management						15	BDO	0.5	In Planning
Health and Safety						15	BDO	0.5	In Planning
Resources: Human Resources									
Sickness Management and Occupational Health						20	SIAS		Allocated
Council Wide Reviews									
General Data Protection Regulations (GDPR)						25	SIAS		

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Employment Status (IR35)						25	SIAS	2.5	In Fieldwork
Financial Solvency Monitoring and Business Continuity Arrangements – 3rd Party Contractors						20	BDO	0.5	In Planning
Debt Management						25	SIAS		Allocated
Lone Working						20	SIAS	17	In Fieldwork
Partnership Funding						20	SIAS		Allocated
Cross Service Reviews									
Complaints Management (CS and ACS)						20	SIAS		Allocated
Section 106 (Environment and Resources)						20	SIAS		Allocated
Adult Care Services									
Quality Assurance and Practice Audits						20	BDO	2	In Planning
Budget Recovery and Efficiency Plans						20	SIAS		Allocated

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
ACS Workforce Strategy						15	SIAS		Allocated
Home Improvement Agency						15	SIAS		Allocated
Specialist Care at Home						20	SIAS		Allocated
Safeguarding						20	SIAS		Allocated
ACS Queries < 3hrs Activities	N/a					5	SIAS	1.5	Through Year
Environment Services									
Fly Tipping						15	SIAS	1.5	In Planning
Tree Management						20	SIAS		Allocated
Enforcement						15	SIAS		Allocated
ECS Queries <3hrs activities	N/a					5	SIAS		Through Year
Children's Services									
GDPR – Electronic Transfer of Sensitive Data (follow up)						20	SIAS		Allocated

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Quality Assurance Systems (Consultancy)						5	SIAS		Allocated
School Admissions – Appeals Process						15	SIAS		Allocated
Secondary Expansion Programme						15	SIAS		Allocated
HfL – Standard of Commissioned Services						20	SIAS	5.5	In Fieldwork
CS Queries <3hrs Activities	N/a					5	SIAS		Through Year
Public Health									
Public Health LGA – Peer Review Challenge						15	SIAS		Allocated
Community Protection									
Hertfordshire Home Safety Service (HHSS)						15	SIAS	3.5	In Planning
Automatic Fire Alarms (AFAs) and Unwanted Fire Signals (UFS)						15	SIAS		Allocated
Sickness Management (also see						10	SIAS		Allocated

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Council Wide Review)									
Shared Learning									
Shared Learning Newsletters and Summary Themed Reports	N/a					5	SIAS		Allocated
Joint Review – Topic to be determined by SIAS Board						5	SIAS		
Grant Claims									
Herts Chief Finance Officers Society						1	SIAS		Allocated
Hertfordshire Education Foundation						2	SIAS		Allocated
Hertfordshire Charity for Deprived Children	Unqualified	0	0	0	0	1	SIAS	1	Final Report Issued
Autism Grant						2	SIAS		Allocated
LEP – Local Growth Fund	Unqualified	0	0	0	0	3	SIAS	3	Final Report Issued
Integrated Structural Maintenance Grant						2	SIAS	0.5	In Planning

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Building Better Opportunities Grant						3	SIAS		Allocated
Disabled Facilities / Home Improvement Agency						5	SIAS		Allocated
LEP Capital Grant						3	SIAS	3	Quality Review
Grants Contingency						12	SIAS		Through Year
Other Chargeable									
Monitoring 2018/19 Plan	N/a					20	SIAS	4.5	Through Year
Recommendations Follow-Up - Q1	N/a					5	SIAS	5	Complete
Recommendations Follow-Up - Q2	N/a					5	SIAS		Allocated
Recommendations Follow-Up - Q3	N/a					5	SIAS		Allocated
Recommendations Follow-Up - Q4	N/a					5	SIAS		Allocated
Client Liaison	N/a					15	SIAS	3.5	Through Year
Audit Committee Matters & Attendance	N/a					20	SIAS	5	Through Year
Audit Planning – 2019/20	N/a					20	SIAS		Allocated
Performance Data	N/a					5	SIAS	0.5	Through Year

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
External Audit Liaison	N/a					2	SIAS	1	Through Year
Service Plan Activity	N/a					25	SIAS	6.5	Through Year
SIAS Board Meetings and Preparation	N/a					12	SIAS	3	Through Year
Assurance Services – Management Activities	N/a					20	SIAS	5	Through Year
Public Sector Internal Audit - Self Assessment 2018-19	N/a					5	SIAS	0.5	Allocated
17/18 Projects requiring finalisation						5	SIAS	5	
Adult Care Services – Data Security and Information Sharing							SIAS		Final Draft Report Issued
Adult Care Services – Data Quality Business Process Compliance *	Substantial		0	1	3		BDO		Final Report Issued
Adult Care Services – Market Oversight Programme (consultancy review)*	Not Assessed		0	0	0		SIAS		Final Report Issued
Children's Services – Financial Monitoring of Schools							SIAS		Draft Report Issued
Community Protection – Trading	Substantial		0	3	6		SIAS		Final Report Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Standards - Management of Evidence*									
Council Wide – Conflicts of Interest*	Substantial		0	2	1		BDO		Final Report Issued
Council Wide – Business Continuity							SIAS		Final Draft Report Issued
17/18 Projects c/fwd to 18/19 for Completion									
0-25 Integrated Service (CS and HCS)						5	BDO	0.5	In Fieldwork
Home to school / college transport (CS and Environment)						5	SIAS	5	Draft Report Issued
Demography – LD & Budget monitoring LD						5	BDO	1	In Fieldwork
Bus Contracts						7	SIAS	6	Quality Review
Safeguarding CF1718						20	SIAS	17	Quality Review
Application of Eligibility Thresholds (OPPD / LD)						10	SIAS	10	Draft Report Issued
Direct Payments						13	SIAS	5	In Fieldwork
Customer Service Centre (safeguarding enquiries) *	Substantial		0	0	1	7	SIAS	7	Final Report Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
HCC Plan Contingency Balance						**40**			
Schools									
Advice, queries and guidance for schools	N/a					20	SIAS	2.5	Through Year
Liaison, awareness raising and training	N/a					15	SIAS	2.0	Through Year
Theme 1 - SFVS (25 schools)	N/a					95	SIAS	40.5	In Fieldwork
Theme 2 - GDPR (15 Schools)	N/a					65	SIAS		Allocated
Theme 3 – IR35 (15 schools)	N/a					65	SIAS	1	Allocated
17-18 SFVS Returns Collection	N/a					20	SIAS	20	Complete
Follow up schools with high priority recs or moderate assurance	N/a					10	SIAS	8	In Fieldwork
Contingency - Schools Causing Concern	N/a					15	SIAS		Through Year

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Contingency - Academy Conversions	N/a					10	SIAS		Through Year
Schools Plan Contingency Balance						**30**			

Total		**0**	**0**	**6**	**11**	**1473**		**226.5**	

Notes:
* - 2017/18 Audits that were assessed under 2017/18 Definitions of Assurance and Recommendation Priorities (see Appendix C)
** - 2017/18 Audits that were assessed under 2018/19 Definitions of Assurance and Recommendation Priorities (see Appendix C)

Key

C = Critical Priority
H = High Priority
M = Medium Priority
L = Low Priority
RECS = Recommendation
BDO = SIAS Audit Partner
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	**GDPR – Transmission of Electronic Data (Children's Services)** **(Final Report Issued November 2017)**	<u>Recommendations</u> It was recommended that Children's Services (with the support of the Information Governance Team):- • reminded staff of the requirement to complete Data Protection iLearn training • positively confirm with managers that all staff have completed the training by a specified date. • 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. • Within the above reviews, include all members of the workforce, extending to areas such as Foster Care. <u>Management Response</u> • 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. • Implementation of a monthly new starters report to be reviewed to enable managers to ensure iLearn module has been completed. • Information Governance Unit to discuss with HR the issues regarding accuracy of iLearn completion data. • 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. • 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 31 January 2018 for completion of all actions (some having earlier completion dates)	**February 2018 Update –** The Survey regarding completion of training by staff is the process of being issued. This is scheduled to be completed by the end of March 2018. Discussions with HR, in relation to the new starters report and accuracy of i-Learn, are planned to be completed by the end of March 2018. A Specific Foster Carer email system (which will allow secure communication between foster carers and HCC staff) is currently being tested. Manual records of attendance of DP training are still to be added, with the resource required to complete this currently being identified. **June 2018 Update –** The proposed survey still remains to be undertaken and will be completed by the end of September 2018. In relation to iLearn records this continues to be progressed with HR and the Information Governance Unit. A secure foster carer email system is in the process of being procured.	**Partially implemented** **Revised target date – End of September 2018**

APPENDIX C – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITIES

2017/18 Definitions of Assurance and Recommendation Priorities

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.

2018/19 Definitions of Assurance Levels and Recommendation Priorities

Assurance Level		Definition
Good		The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
Satisfactory		The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
Limited		The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
No		The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.
Priority Level		**Definition**
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low / Advisory	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.