

### Internal Audit Activity during 2017/18

The table below provides a summary of audit activity during 2017/18

<u>Audit Title</u>	<u>Position of Review</u>	<u>Opinion</u>
<b>Carry Over Work:</b>		
<b>Completion of reviews in progress as at 31<sup>st</sup> March 2017</b>		
Accounts Payable/Purchase Ledger (including feeder systems)	Final report issued	Adequate
Asset Management (incl. Asset Register)/Capital Accounting	Final report issued	Adequate
SWIFT Financials	Final report issued	Limited
Contracts Management - Data Centre Visits	Briefing Note issued	n/a
Proactive anti-fraud - Employee Self Service (Expense claims and Timesheets)	Briefing Note issued	n/a
Maulden Lower School	Final report issued	Limited
Sandy Upper School Follow-up	Final report issued	Unsatisfactory Progress
VAT	Final report issued	Adequate
Financial Assessment & Charging for Residential Care	Final report issued	Adequate
Members, Declarations of Interest, Gifts & Hospitality	Final report issued	Adequate
Comensura	Final report issued	Adequate
IT inventories	Final report issued	Adequate
Leisure Services Outcomes - Post implementation review of Flitwick Leisure Centre	Final report issued	Adequate
IT Customer Service - problem resolution (Helpdesk)	Fieldwork in progress	-
Section 106 Agreements	Deferred to 18/19 pending outcome of external review.	-
<b>2017-18 Plan</b>		
<b>Fundamental Systems</b>		
Accounts Payable/Purchase Ledger (including feeder systems)	Final report issued	Adequate
Accounts Receivable/Sales Ledger	Final report issued	Adequate

\* indicates provisional opinion

<b><u>Audit Title</u></b>	<b><u>Position of Review</u></b>	<b><u>Opinion</u></b>
Council Tax (including Council Tax Support Scheme)	Final report issued	Adequate
Housing Benefits	Final report issued	Adequate
Main Accounting Systems (MAS)	Final report issued	Adequate
Non-Domestic Rates NDR	Final report issued	Adequate
Payroll	Final report issued	Adequate
SWIFT Financials	Draft briefing note issued	n/a
Treasury Management	Fieldwork in progress	
Housing Rents including tenant arrears	Final report issued	Adequate
Cash and Banking (Non Invoiced Income)	Final report issued	Adequate
<b>Chief Executive</b>		
Data Quality	Deferred to 18/19	
Information Governance (Records Management)	Final report issued	Adequate
<b>Resources</b>		
VAT reviews	Cancelled	
Budgetary Control	Final report issued	Adequate
Highways Infrastructure - processes for accounting	Cancelled	
Ethics - Declarations of Interests, Gifts and Hospitality - Officers	Fieldwork in progress	
Corporate Governance Reviews - LGSS Law	Final report issued	Adequate
Democratic Governance	Draft report issued	Adequate*
<b>Children's Services</b>		
Schools General - School Improvement	Rolling programme, 1 School completed, 5 In Progress see below	
Watling Lower School	Final Report Issued	Limited
Chiltern School	Fieldwork complete	
Pulford Lower	Fieldwork in progress	
Beaudesert Lower	Draft report issued	Adequate*
Clipstone Brook Lower	Fieldwork complete	
Swallowfield Lower	Fieldwork in progress	

\* indicates provisional opinion

<b><u>Audit Title</u></b>	<b><u>Position of Review</u></b>	<b><u>Opinion</u></b>
Contract review of Alternative Provision (Education)	Fieldwork in progress	
Themed Reviews	Fieldwork in progress	
Pro-active Fraud review - Cash Disbursements	Final Report Issued	Adequate
<b>Social Care, Health and Housing</b>		
Day Centres	Cancelled	
Better Care Fund Integration	Cancelled	
New Generation Housing	Cancelled, Service Request	
Direct Payments - Review of controls	Deferred to 18/19	
Follow-up on QL - SAP interface	Briefing note issued	Satisfactory progress
<b>Community Services</b>		
Highways - assurance on client assurance arrangements	Deferred to 18/19 at Service Request	
School Transport	Deferred to 18/19 at Service Request	
<b>IT Reviews:</b>		
Cloud Hosting Data Storage	Cancelled	
IT Cyber Security	Fieldwork in progress	
Project Management - IT Governance	Deferred to 18/19	
Desk Top Environment - End User Compliance	Cancelled	
IT Disaster Recovery	Scoping in progress	
SAP Access and Security	Fieldwork in progress	
<b>Regeneration and Business Support</b>		
European Social Fund	Deferred to 18/19	
Albion Archaeology	Deferred to 18/19	
<b>Contracts and Partnerships</b>		
Contracts Management	Deferred to 18/19	
Value for Money reviews	Cancelled	
Partnership Governance	Covered - LGSS Law review	
<b>Public Health</b>		
Public Health compliance with best practice	Scoping	
Joint Procurement Arrangements	Fieldwork in progress	

\* indicates provisional opinion

<b>Special Investigations</b>		
National Fraud Initiative (NFI)	Ongoing throughout year	
Special Investigations and supporting the Corporate Fraud Team	Ongoing throughout year	
<b>Pro Active Anti Fraud:</b>		
Allocation of Grants	Deferred to 18/19	
<b>Consultancy etc.</b>		
Risk Management Activities	Ongoing throughout year	
Major projects - Consultancy	Ongoing throughout year	
Supporting Annual Governance Statement	2016/17 statement completed	
Audit of Individual Grants	Ongoing throughout year	
General Advice	Ongoing throughout year	
Head of Audit Chargeable Against Plan	Ongoing throughout year	
Assurance Mapping Review	Ongoing throughout year	
Contingency		

\* indicates provisional opinion

## **Key Issues arising from finalised reviews (for reviews not previously reported to Committee)**

- 1. 2016/17 Asset Management (incl. Asset Register/Capital Accounting)**  
This review covered policies and procedures, and accounting for assets. The overall audit opinion was adequate assurance.
- 2. Contracts Management – Data Centre Visits**  
Subsequent to the Information Commissioners Office (ICO) Enforcement Department considering a case where the Council (CBC) had incorrectly addressed a mailing of sensitive personal data, and a further case where CBC failed to redact a social worker's personal data from a crime report, CBC agreed to a data protection audit of its processing of personal data by the ICO. As a follow up to this, Internal Audit undertook a review of the Council's Offsite Storage facilities which included an assessment of relevant contracts/service level agreements (SLA) and site visits to data centres to verify compliance with appropriate standards and controls. No undue concerns were noted.
- 3. Proactive anti-fraud - Employee Self Service (Expense claims and timesheets))**  
Prior to the implementation of Successfactors, Internal Audit undertook a review of the controls associated with the processing of expense claims and timesheets within Employee Self Service to enable any learning points to be included as appropriate.
- 4. Members, Declaration of Interests, Gifts & Hospitality**  
This review covered Councillors Declarations of Interests, Gifts & Hospitality. The Localism Act 2011 requires that the Council adopt a code of conduct for Members to have a register of member's interests and for Town & Parish Councillors to register their interests with us in our role of Principal Authority. The overall audit opinion was adequate assurance.
- 5. Comensura**  
This review covered the appropriateness of utilising Agency Workers, the suitability of individual Agency Workers selected for the requirements of the role, the value for money obtained from the Comensura agreement, the validity of timesheets approved, and payments made. The overall audit opinion was adequate assurance.
- 6. IT inventories**  
This review covered the accuracy of IT Equipment Asset Registers, the identification of IT assets when purchased, and the recovery of personally allocated IT equipment from leavers. The overall audit opinion was adequate assurance.

- 7. Leisure Services Outcomes – Post implementation review**  
Internal Audit reviewed the upgrade of the existing 6 leisure centres across the Council and in doing so, examined the procurement and commissioning of the main contractor, budget setting and monitoring of the investment, project design, development and management and development of facilities, management arrangements, the measurement of outcomes and customer engagement and consultation. The overall audit opinion was adequate assurance.
- 8. 2017/18 Accounts Payable**  
This review covered policies and procedures, and the Accounts Payable processes, including ordering, goods receipting, authorisation of invoices, reconciliations and controls over master data. The overall audit opinion was adequate assurance.
- 9. 2017/18 Accounts Receivable**  
This review covered policies and procedures, and the Accounts Receivable processes, including invoicing, amendments, accounting arrangements, debt monitoring and write offs. The overall audit opinion was adequate.
- 10. 2017/18 Asset Management (incl. Asset Register/Capital Accounting)**  
This review covered policies and procedures, and accounting for assets. The overall audit opinion was adequate assurance.
- 11. 2017/18 Council Tax (including Council Tax Support Scheme)**  
This review covered the Council Tax processes including the identification and recording of properties, amendments to accounts, discount and exemption processes, overdue account monitoring and recovery action, write offs, the recording of transactions within the authority's accounts, billing processes and business continuity procedures. The overall audit opinion was adequate.
- 12. 2017/18 NDR**  
The scope of this review was similar to Council Tax above but covering NDR and therefore commercial properties. The overall audit opinion was adequate assurance.
- 13. 2017/18 Housing Benefits**  
This review covered processes from the receipt of correspondence, assessment of claims, supporting evidence, payment processes, fraud detection, system security arrangements and compliance with DWP requirements. The overall audit opinion was adequate assurance.
- 14. 2017/18 Main Accounting System**  
This review covered policies and procedures, accounting for financial transactions, journal entry controls, transfers from feeder systems, controls to ensure accuracy, and reporting mechanisms. The overall audit opinion was adequate assurance.

**15. 2017/18 Payroll**

The review covered policies and procedures, controls over standing data, the accuracy of payments and deductions, controls over payments to and received from statutory agencies, the accurate posting of data, and compliance with legislative requirements. The overall audit opinion was adequate assurance.

**16. 2017/18 Housing Rents**

This review covered policies and procedures and the processes to support the calculation, receipt and recording of amounts due, including tenant arrears. The overall audit opinion was adequate assurance.

**17. 2017/18 Cash and Banking**

This review was combined with Main Accounting System above.

**18. Information management (records management)**

This review examined the overall system of control associated with the safe keeping of, access to and retention/ destruction of physical records within the Council. The overall audit opinion was adequate assurance.

**21. Budgetary control**

The review sought to determine the extent to which there are reliable and robust mechanisms in place in respect of Budgetary Control within Adult Social Care focusing upon the Older People Physical Disabilities Care Management North and South as well as Learning Disabilities Adults and Children service areas. The overall audit opinion was adequate assurance.

**22. Corporate Governance Reviews – LGSS Law**

This audit covered the governance arrangements for the Shared Legal Service and LGSS Law Ltd and examined the collaboration agreement, SLA, shareholders' agreement, Board and shareholder meeting minutes and papers, performance data, business plans, draft annual service report and risk registers. The overall audit opinion was adequate assurance.

**23. School audits**

The audit reviews for schools focus on the main systems, including purchasing, financial management, payroll, financial returns, governance, asset management and data management, bank accounts and the administration of the school fund. Consideration is also given to any concerns raised by the Schools Finance Team, or the Head Teacher.

**24. Follow up on QL – SAP interface**

This was a follow up review in relation to the high priority recommendations reported previously to the committee. Satisfactory progress had been made.

**25. Project Management – IT Governance**

Specialist external expertise has been commissioned to support our ICT audit work with two specific reviews. The first is an ICT universe scoping exercise which will provide a 2-3-year prioritised ICT audit plan. This audit will now only be undertaken dependent upon the revised risk assessments within the revised ICT audit plan.