



Doncaster Council

Report

Date: 1st February 2018

To the Chair and Members of the
AUDIT COMMITTEE

**INTERNAL AUDIT REPORT FOR THE PERIOD: OCTOBER 2017 TO JANUARY
2018**

Relevant Cabinet Member(s)	Wards Affected	Key Decision
n/a	n/a	Yes/No

EXECUTIVE SUMMARY

1. The report attached at **Appendix 1** updates the Audit Committee on the work done by Internal Audit for the period October 2017 to January 2018, and shows this in the context of the audit plan for the year. The report includes details on the implementation of internal audit recommendations. It also provides details on performance information, incorporating an update on the section's Quality Assurance Improvement Plan (QAIP) which ensures compliance with the Public Sector Internal Audit Standards.
2. The attached report is in four sections:
 - Section 1. The Audit Plan / Revisions to the Plan
 - Section 2. Audit Work Undertaken During the Period
 - Section 3. Implementation of Audit Recommendations
 - Section 4. Internal Audit Performance
3. A summary of the main points from each of the sections is provided in the following paragraphs:

Section 1: The Audit Plan / Revisions to the Plan

4. Section 1 of the attached update report shows the 2 new jobs that are being added to the plan, relating to the Council's adoption of revisions to Money Laundering Regulations and to the provision of training in care homes. It also shows the jobs being removed from the plan as no longer required.

The changes are in response to emerging risks and concerns. Current progress in delivering the audit plan is commented in more detail within Section 2 of this report.

Section 2: Audit Work Undertaken During the Period

5. Throughout the whole of the year so far, Internal Audit has experienced a very high level of investigatory work in response to requests from management. This work is important as it helps to address weaknesses and potential errors and/or irregularities, and Internal Audit's support is generally highly regarded in these circumstances.
6. There are currently 5 ongoing investigations. Details of the work being carried out are included in the report. In a small team of 9.7 fte, the level of responsive work continues to impact adversely on the time available to complete planned work. The Assistant Director of Finance and Chief Financial Officer has continued to be supportive by providing additional resources to mitigate the pressures on the delivery of the planned audit programme. As a result it is expected around 85% to 90% of the plan will be achieved in the year, which will be sufficient to provide the statutory internal audit opinion on the Council's risk, governance and control arrangements at the year end. Jobs not completed by the year end will be of a lower level risk and will be carried forward into 2018/19.
7. The planned audit work done continues to confirm the Council generally has appropriate controls in place and that the controls are operating effectively. More details are provided in paragraph 2.3 and Appendix A of the attached report.

Section 3: Progress on the implementation of audit recommendations

8. There are 5 overdue major recommendations across the Council. Overall, this is a small number and at the current time progress is being made on all 5 recommendations. We are satisfied appropriate attention is given by senior management to outstanding major recommendations and their implementation
9. The current number of lower level audit recommendations late and still to be implemented by services is 83, reduced from 109 in April 2017. In recent months we have been working with services to prioritise the clearance of these audit recommendations. We have received positive commitment from directorate management teams to doing so, and this is being reflected in progress made, although there are further inroads to be made into the number of recommendations overdue.

Section 4: Performance Information

10. Performance on four out of the service's six key performance indicators is close to or above target and is currently below target on the other two.

11. Results relating to major recommendations and customer satisfaction remain very positive, with 100% of critical or major recommendations agreed and 100% of Customer Satisfaction Surveys rated Satisfactory or above. Final reports issued within 5 days of client feedback on the draft report is 97%. Performance in relation to the percentage of jobs completed within 110% is reasonable at 87% against a target of 90%.
12. As stated in paragraph 6, the service's delivery against the planned audit work was 62% at 5 January 2018, a significant increase on the figure of 38% reported in October 2017.
13. Performance on issuing draft reports within 15 days of fieldwork completion is slightly below target, mainly due to the development needs of a junior member of staff.
14. Progress in implementing the actions included in the Service's Quality Assurance Improvement Plan, including recommendations arising from the Peer Review, is exemplary, with all agreed actions being completed. The full Quality Assurance Improvement Plan is included at Appendix C in the attached report.

RECOMMENDATIONS

15. The Audit Committee is asked:
 - To note the changes to the original audit plan
 - To note the internal audit work completed in the period
 - To note progress made by officers in implementing previous audit recommendations
 - To note information relating to Internal Audit's performance in the period, the arrangements made to manage the demand for responsive work and progress in implementing actions set out in the Quality Assurance Improvement Plan.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

16. Effective Internal Audit arrangements add value to the Council in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough.

BACKGROUND

17. This report provides the Audit Committee with information on the outcomes from internal audit work and allows the Committee to discharge its responsibility for monitoring Internal Audit activity.

OPTIONS CONSIDERED

18. Not applicable - for information only

REASONS FOR RECOMMENDED OPTION

19. 19. Not applicable - for information only

IMPACT ON THE COUNCIL'S KEY OUTCOMES

20. Internal Audit assesses how effectively the Council is managing risks that threaten the achievement of the Council's objectives. Any improvement in the management of the risks will have a positive impact thereby increasing the likelihood of the Council achieving its objectives. Internal Audit's work is, therefore, relevant to all priorities but in particular the following:

Outcomes	Implications
<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
<p>Council services are modern and value for money.</p>	<p>The work undertaken by Internal Audit improves and strengthens governance arrangements within the Council.</p>
<p>Working with our partners we will provide strong leadership and governance.</p>	<p>The work undertaken by Internal Audit improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

21. The implementation of internal audit recommendations is a response to identified risks and hence is an effective risk management action.

LEGAL IMPLICATIONS

22. There is a statutory obligation on the council to provide an adequate and effective internal audit of its accounts and supporting systems of internal control.

FINANCIAL IMPLICATIONS

23. There are no specific financial implications associated with this report.

HUMAN RESOURCE IMPLICATIONS

24. There are no specific human resource implications associated with this report.

TECHNOLOGY IMPLICATIONS

25. There are no specific technology implications associated with this report.

EQUALITY IMPLICATIONS

26. We are aware of the Council's obligations under the Public Sector Equalities Duties and whilst there are no identified equal opportunity issues within this report; all of the reports covered by the document will have taken into account any relevant equality implications.

CONSULTATION

27. There is consultation with managers at the outset, throughout and at the conclusion of individual audits in order to ensure that the work undertaken and findings are relevant to the risks identified and are accurate. Regular meetings are held with Senior Management to ensure there is effective and relevant Internal Audit coverage provided.

BACKGROUND PAPERS

28. United Kingdom Public Sector Internal Audit Standards, audit working files and management information, customer satisfaction responses

REPORT AUTHOR & CONTRIBUTORS

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Appendices Attached

Appendix 1 - Internal Audit Progress Report to January 2018

Doncaster Council

Internal Audit Progress Report

October 2017 to January 2018

Section 1: Revisions to the Audit Plan

- 1.1. The 2017/18 Audit Plan was approved by the Audit Committee on 6th April 2017. As the audit year progresses, the plan is reviewed to take into account new and emerging risks and any responsive work arising. So far in 2017/18 the service has received and responded to a high number of responsive work requests (see section 2), which have required a review of the plan alongside a review of available resources. Amendments to the plan are set out below.
- 1.2. It is proposed to add the following jobs to the plan:
 - Adult Safeguarding Board – A governance review of training in care homes.
 - Money Laundering Policy Revision.
- 1.3 Based on Internal Audits Risk Assessment Planning process some work is no longer required and frees up Internal Audit time to undertake areas added to the Internal Audit Plan. The following jobs have been removed from the plan:
 - Business Doncaster – Loans and Business Support – Anti Fraud and Financial Administration Review
 - Care First – Data Quality Review
 - Data Matching Projects
 - Compliance with rules relating to self-employment taxation (IR35)
 - Public Buildings Maintenance Works Costing
 - Software Licensing
 - Stores.

Section 2: Audit Work Undertaken During the Period

Internal Audit Opinion

- 2.1 Internal Audit provides an opinion on the control environment for all systems, services or functions which are subject to planned audit review. The opinions given are taken into account when forming our overall annual opinion on the adequacy and satisfactory operation of the Council's governance, risk management and internal control arrangements at the end of the year.
- 2.2 A '*limited*' opinion is given in any area under examination where one or more concerns of a 'fundamental' nature are identified. A '*no assurance*' opinion is given where the area under review is considered to be fundamentally exposed to critical risks, although '*no assurance*' opinions are rare.

Summary of Findings from Audit Reviews

- 2.3 Summary conclusions on all significant audit work to January 2018 are set out in **Appendix A**.

Responsive Audit Work and Investigations

2.4 In addition to our planned assurance work, we also investigate allegations of fraud, corruption or other irregularity and/or error, and respond to requests for assistance from the various services and functions in the Council. A summary of the significant pieces of work that have been completed or are ongoing is provided below:

Audit Area	Update
Primary School - Loss of Monies	<p>Significant amount of missing monies, misappropriation and theft of funds. The employee has been dismissed.</p> <p><i>The investigation is complete.</i></p>
Adult Care Home Financial Review	<p>Allegations of theft of monies and missing /odd items of expenditure for individuals. Process weaknesses were found, but there was insufficient evidence of any fraud.</p> <p><i>The investigation is complete.</i></p>
Smart Lights Phase 1	<p>Deficiencies in relation to project management and ordering, leading to potential significant losses to the Council.</p> <p><i>This work is complete.</i></p>
Smart Lights Phase 2	<p>This is an investigation launched in November 2017 after further issues were reported within the Smart Lights on Phase 2.</p> <p>Work progresses on understanding the current position but is a protracted issue due to significant data quality issues and a lack of overall project management.</p>
Server Charge	<p>Emergency work was required on their server which required the replacement of various parts. There is dispute as to whether the parts were actually replaced. The invoice is being disputed.</p> <p>This has been referred to Action Fraud. A review of other transactions did not uncover systematic issues.</p> <p><i>The investigation is now complete.</i></p>
ICT Equipment Losses	<p>Internal Audit is assisting management to put in place stronger controls relating to ICT inventory, following an inability to locate small amounts of ICT equipment.</p>

Audit Area	Update
Markets Contracts	A concern had been raised regarding Market rents charged and on the stall leases. No evidence was found to support the concerns raised. <i>The investigation is complete.</i>
Social Care Provider	This is a potential significant issue regarding cost of social care incurred either directly by the Council or through direct payments. The matter has been referred to Internal Audit from a reasonable source.
Strategic Infrastructure	A request from the police for assistance in the investigation of issues relating to an employee and harassment of an individual that is believed to have been carried out using DMBC equipment is underway as a joint effort with HR/ICT.
Occupational Therapy Service	This is a review by a brought in external contractor into concerns over previously poor management of the service. This review will cover financial, governance and asset management arrangements.

2.5 This responsive work has accounted for a significant proportion of the work carried out by the section in this period. Whilst some of these pieces of work are nearing conclusion, others will require ongoing resourcing for a while longer. The resourcing and impact of this work are commented on further in section 4 of this report.

Section 3: Implementation of Audit Recommendations

- 3.1 Following the completion of audit work, improvement plans are produced in consultation with service management containing details of agreed actions and dates for their implementation. Final reports, incorporating agreed improvement plans, are then formally issued to the appropriate Director, Assistant Director and Head of Service.
- 3.2 Internal Audit subsequently seeks assurance that agreed actions arising from audit work have actually been implemented. This involves contacting the officer allocated to complete the action to obtain evidence that agreed actions have been implemented or, where they have not, that appropriate progress is being made. Where fundamental weaknesses in internal control arrangements have been identified, more detailed follow up work is undertaken.
- 3.3 Any major recommendations that are not implemented in line with agreed timescales are reported as part of the Council's quarterly finance and performance challenge process and consequently monitored through that

process. Major recommendations outstanding are also reported routinely by Internal Audit to the Audit Committee.

- 3.4 A summary of all outstanding major recommendations is provided in **Appendix B**. The number of major recommendations that are currently overdue for completion is 5. These are distributed as follows:

Directorate	Overdue major rec's At 1 February 2018
Adults, Health and Well-Being	3
Regeneration & Environment	1
Finance & Corporate Services	0
Learning & Opportunities (Children & Young People)	1
TOTAL	5

(note: schools are excluded from this analysis)

- 3.5 The number of major recommendations outstanding has oscillated around this level for over a year, with older recommendations being cleared and new ones being added to the outstanding list.
- 3.6 The current number of lower level audit recommendations late and still to be implemented by services is 83. In recent months we have been working with services to prioritise the clearance of these audit recommendations. We have received positive commitment from directorate management teams to doing so, and this is being reflected in progress made, although there are further inroads to be made into the number of recommendations overdue, as shown below:

Directorate	Overdue lower level rec's at April 2017	Plus New rec's in year	Less Rec's implem'd in year or not due	Overdue Lower level rec's At 1 Feb 2018
Adults, Health and Well-Being	23	+ 58	- 57	= 24
Regeneration & Environment	37	+ 34	- 52	= 19
Finance & Corporate Services	11	+ 39	- 34	= 16
Learning & Opportunities (Children & Young People)	24	+ 11	- 25	= 10
Corporate	14	+ 4	- 4	= 14
TOTAL	109	+ 146	- 172	= 83

Section 4: Internal Audit Performance

Performance Indicators

4.1 The Audit Committee has previously agreed the key performance indicators that should be reported to it relating to the performance of the Internal Audit service. The indicators are shown below along with current performance for the period October 2017 to January 2018

Performance Indicator	Target	October 2017 to January 2018	Variance (positive is good)
Percentage of planned audit work completed	75%	62%	- 13%
Draft reports issued within 15 days of field work being completed	90%	84%	- 6%
Final reports issued within 5 days of customer response	90%	97%	7%
% of critical or major recommendations agreed	100%	100%	0%
Percentage of Customer Satisfaction Surveys rated Satisfactory or above	90%	100%	10%
Percentage of jobs completed within 110% of budget	90%	87%	- 3%

4.2 The service's delivery against the planned audit work was 62% as at 5 January 2018, which represents a significant increase on the figure of 38% reported in October 2017. Although the current performance remains behind target at this stage, the improved rate of delivery is expected to continue to the point where sufficient planned work will be achieved to provide an audit opinion at the end of the year on the Council's control, risk and governance arrangements, as required by the Auditing standards.

4.3 The proportion of draft reports issued within 15 days of fieldwork is below target mainly due to the development needs of a junior member of staff.

4.4 Results relating to major recommendations and customer satisfaction remain extremely positive with 100% of critical or major recommendations agreed and 100% of Customer Satisfaction Surveys rated Satisfactory or above. Final reports issued within 5 days of the clients' response to the draft report is achieved in 97% of cases so far this year and the % of jobs delivered within 110% of audit budget is acceptably close to target at 87% (note this excludes jobs completed by the audit junior)

Quality Assurance Improvement plan

4.5 In February 2017, Internal Audit was reviewed by the Head of Internal Audit and the Audit Manager from Kirklees Council and this was reported to the

Audit Committee at its meeting on 6 April 2017. The assessment confirmed that Doncaster's Internal Audit Service meets the highest of the three possible ratings within the standards, i.e. that the service "Generally Conforms" with the standards.

- 4.6 The peer review report identifies seven observations noted either by the reviewers themselves, or by Members and officers interviewed by the reviewers. The observations, and actions emanating from them, have been incorporated into the Service's Quality Assurance Improvement Plan (QAIP). The QAIP is attached at **Appendix C**.
- 4.7 Progress in implementing the actions included in the Service's Quality Assurance Improvement Plan, including recommendations arising from the Peer Review, is exemplary, with all actions having been completed.

APPENDIX A

Summary of Planned Audit Work Completed

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
FINANCE AND CORPORATE SERVICES				
Financial Assessments	<p>To examine the processes within Financial Assessments to ensure that they are fit for purpose and Financial Assessments are being properly calculated and charged.</p> <p>Examine processes and procedures for the collection of financial assessment debt.</p> <p>Examine the extent to which Financial Assessments co-ordinates activities with other areas of the Council to ensure that it contributes to statutory responsibilities in respect of the Care Act 2014.</p>	01/10/17	<i>Partial Assurance</i>	Weaknesses in the information received from clients, and limitations on information held on customer records make it difficult to fully manage the recovery of monies owed to the Council in terms of social care fee debt.

Cashiers (Back office processing – cash office management)	<p>The objectives of this audit are to Map controls and processes associated with the receipt of income into the council through the post, the Civic Office and the operation of the Traders Credit Account.</p> <p>To examine the extent to which the operational risks and operational processes are effectively managed to protect council income from fraud and error and ensure financial expenditure is properly accounted for and monitored.</p>	08/12/17	<i>Substantial Assurance</i>	Not Applicable – nothing significant to report.
Risk Management	This audit will review compliance and effectiveness of the existing risk policy and arrangements.	03/01/18	<i>Partial Assurance</i>	<p>Strategic risks are currently not challenged by the risk champions prior to them being reported to Executive board, Cabinet and Audit Committee</p> <p>Service risks are not being updated on Pentana on a quarterly basis consistently across the service areas.</p> <p>There is a lack of evidence available to demonstrate the monitoring, challenge and review of service risks at Directorate level across the Council at each level of management for the risks within their control.</p>

REGENERATION AND ENVIRONMENT				
Energy team Financial Administration Review	To examine financial processes undertaken by the Energy team to ensure that they are fit for purpose and meet financial procedure rules.	20/11/17	Partial Assurance	Financial administration for the team was found to be reasonably well controlled. Some issues were noted around overdue debtor accounts. 6 accounts outstanding for more than 6 months were identified, however, these are with other public sector bodies and are therefore not likely to be doubtful debts. Co-ordination is required with the Accounts Receivable team to address this issue
Taxi Licensing	Review the processes and systems in place for the granting or refusal of licenses in relation to Hackney Carriage and Private Hire Vehicles, ensuring that the Council fulfils its obligations in respect to passenger safeguarding whilst not unduly restricting local transport provision.	29/11/17	Substantial Assurance	Not Applicable – nothing significant to report
Homes and Communities Agency Grant (HCA)	Confirm HCA funding had been used appropriately and in compliance with the conditions of the grant.	27/10/17	Not Applicable – Grant Claim	Grant signed, no issues raised.

	Sign off the grant statement as true and fair as stipulated by the grant.			
Bus Services Operators Grant (December Claim)	Confirm expenditure and that it is in keeping with the conditions of the grant. Sign off the grant statement as true and fair as stipulated by the grant.	05/12/17	Not Applicable – Grant Claim	Grant signed, no issues raised.
LEARNING AND OPPORTUNITIES:CYP				
Short Breaks Aiming High Follow Up Review	A follow up of the actions agreed during the Short Breaks Aiming High Team audit has undertaken up to ascertain the current position.	08/11/17	Not Applicable	Progress is being made against three remaining actions and this area does not represent the risks that it was previously regarded as.
ADULTS, HEALTH & WELLBEING				
None				
CORPORATE				
Children's Trust Contract Management	A review of the Council's arrangements for managing the contract with the Children's Trust to ensure the Trust achieves its financial and operational targets	29/12/17	Partial Assurance	Improved arrangements and relationships have been established over the last two years, making arrangements robust, within the constraints of the contract. Further development of relationships and information sharing will embed and enhance existing arrangements. Reviews of the achievement of objectives associated

				with additional Council investment and/or Trust initiatives, could be implemented to confirm objectives are being secured.
Troubled Families Grant (August to November)	The grant requires that the arrangements to verify the grant are confirmed by Internal Audit. 6 criteria are assessed to ensure that sustained & significant improvement is made or in the case of an adult which was out of work is now in employment. This is based on the Governments Troubled Families programme.	01/12/17	Not Applicable – Grant Claim	Grant signed, no issues raised.

APPENDIX B

Outstanding Major Recommendations

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
ADULTS AND COMMUNITIES						
Over-payment Review of Direct Payments	<p>Money management companies are used to make payment for direct payments, to ensure service users have access to their personal budget but in a controlled manner, ideally in cases where service users are not good at managing their own money or have had previous problems managing money.</p> <p>There is currently no contract in place for a company that is managing multiple service users' personal budgets.</p>	Companies become financially reliant upon DMBC money. Reputational risk of mis-management.	Contracts will be considered and put into place for all companies that are managing service users' personal budgets on their behalf.	31/10/16	28/02/18	<p>There are two current suppliers. One contract is subject to an agreed Contract Procedure Rules (CPR) Waiver that ends 28/02/18. The second is subject to a CPR Waiver that ends on the 31/08/18.</p> <p>A further waiver is being progressed for supplier one, to 31/08/18, to align the two suppliers.</p> <p>A specification for a new service has been produced and these waivers will allow the commissioning exercise to be completed and the new arrangements to be in place for 01/09/18.</p>
Solar Centre	A review of the Solar Centre CPR breach	Further breaches may	Review of the resourcing of the	30/09/17	31/03/18	A 4 year commissioning delivery plan was reported to

	situation raised questions as to whether there are sufficient resources to manage current procurement plans and contractual agreement effectively.	occur.	Adults Plan for dealing with contracts in breach / coming to an end to ensure further breaches are minimised - allocate responsibility; identify clear reporting lines and frequencies.			<p>October 2017 Audit Committee. This sets out a clear position regarding the directorate's contracts and commissioning arrangements.</p> <p>Further activity includes Corporate Procurement attendance at Directorate Leadership Team with regular dashboard and discussions on breach rectification, contracts coming to an end and off contract spend.</p> <p>However, the strategy is dependent upon both additional resources and robust monitoring mechanisms being in place.</p> <p>Appointment exercises for the additional resources commenced in December and are ongoing.</p>
Solar Centre	Contract Monitoring has not been undertaken for 3 significant contracts with RDaSH.	Poor performance may not be identified and corrected, at	Contract Monitoring Audit (process, regularity, timeliness, safeguarding	31/12/17	31/03/18	A 4 year commissioning delivery plan was reported to Cabinet in November. The plan includes an action 'to develop and implement a

		worst, this could lead to harm to service users.	issues, non standard arrangements etc.) / Establishing contract monitoring arrangements.			revised contract monitoring process' by the end of March 2018.
Learning and Opportunities: CYP						
Aiming High Care Package efficiencies	<p>The Aiming High budget has been overspent for a number of years. It is for Aiming High to prioritise where they incur expenditure and identify efficiency savings to offset expected overspends.</p> <p>However, there is an ongoing trend of an increase in cases within the service, with the net number of children at 31st March 2016 being 23 more than that 1st April 2015 and there is currently an average of 4 new cases a month in 16/17.</p>	Budget overspending may increase.	A working group should be formed to identify and assess possible ways of reducing the budget pressure e.g. review of all care packages above £X, cost / benefit analysis of services provided etc.	09/11/16	05/03/18	<p>A commissioning model was introduced in 2016/17. This was intended to create procurement savings, however these have not materialised.</p> <p>Further consideration of potential savings is to take place through a full service review by the end of March 2018.</p> <p>The overall budget position will continue to be monitored via Quarterly Challenge Meetings. A projected overspend is reducing but is not expected to be eliminated completely by the year end.</p>

Regeneration & Environment

<p>Waste & Recycling</p>	<p>A reconciliation of service contracts from the Mayrise system to the debt raised on the E5 Account Receivable system will be carried out to ensure that all customers who receive a collection service have been charged and charged correctly.</p>	<p>Income may not be invoiced or may be invoiced incorrectly as there is no ongoing transactional check or overall reconciliation in order to identify such omissions or errors.</p>	<p>A reconciliation of service contracts / charges from the Mayrise system to the debt raised on the E5 Account Receivable system will be carried out to ensure that all customers who receive a collection service have been charged and charged correctly.</p>	<p>30/09/17</p>	<p>31/01/18</p>	<p>A new set of actions and implementation dates were agreed with the Head of Service, however these implementation dates have not been achieved.</p> <p>The revised implementation date was to achieve a reconciliation of income due to income billed. Although progress has been made, this reconciliation has not yet taken place. A major reason for the delay has been the support required from the system supplier. The systems data is currently being tested and if the testing runs smoothly then the first reconciliation will be attempted before the end of January 2018. However, it is not yet known whether the reconciliation will be successful on the first attempt.</p>
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APPENDIX C

Internal Audit – Quality Assurance Improvement Plan

Ref	Issue	Agreed Action	Lead Officer	Deadline	Position at October 2017
Actions Emanating from the UKPSIAS Self-Assessment 2016 and Customer Survey 2016					
1	Skill mix to be completed and production of a team development plan. Summarise development needs for the team overall, taking into account current and ongoing requirements (examples; job briefing, communication and reporting – see below, excel, word, risk based auditing, adding value), and potential future developments (CAATs, contract audit, partnerships etc).	<p>Map and compare current team skills, qualifications, experience, with work included in the audit plan for 2016/17.</p> <p>For any gaps, include development requirements in the team development plan.</p> <p>Highlight any work in the plan that is outside of current skills available.</p>	Colin Earl	<p>28 February 2017</p> <p>31 July 2017</p>	<p>Completed: Immediate team development priorities identified and scheduled.</p> <p>Completed: A full skills audit has been completed and used to inform completion of 2017 PDRs</p>
2	Appraise opportunities for improving the efficiency and effectiveness of the whole end-to-end audit process	Complete a refresh of the end-to-end audit process, to cover planning, job briefs, undertaking audit work, reviews, reporting and communication	Colin Earl	30 June 2017	Completed. Refresh completed by 30 April 2017, with staff training refresh sessions and subsequent roll-out of refreshed procedures. New procedures are now being implemented.

3	An update of audit procedures is outstanding, pending upgrade of the internal audit electronic management system.	Update the audit procedures (manual) following implementation of the new electronic audit system – cross reference to Standards to demonstrate compliance	Nici Frost-Wilson	30 June 2017	Completed; All material is available to staff and training has been provided as required.
4	Develop assurance mapping to strengthen the Council's internal control arrangements	Work with the Strategic Performance Unit to develop Assurance Mapping	Colin Earl	31 December 2017	Complete; Assurance mapping process established in co-ordination with the Strategic Performance Unit and to be completed during the 2017/18 Annual Governance Statement and 2018/19 audit planning processes.
Actions Emanating from the External Peer Review 2017					
5	At present the Audit Committee does not receive oversight of the full audit universe to be able to consider and challenge audit coverage in all aspects of Council activity as part of the approval of the Audit Plan.	The audit planning process should be widened to include reporting of the audit universe to the Audit Committee. This change may dovetail with the assurance mapping exercise being co-ordinated by the HoIA – see action point 4 above	Colin Earl	6 April 2017	Completed: The audit universe and current assurance mapping was presented to management and the Audit Committee alongside the draft Audit Plan 2017/18.

6	Delivery of planned work is reported as a % figure to the Audit Committee in the Progress Reports of the HoIA. The calculation methodology includes account for work in progress.	The HoIA to add explanation to reporting arrangements of plan completion in the performance information section in Progress Reports. This would help management and Members monitor plan completion progress and to understand the implications of undertaking unplanned commissions and to consider the need to revise the annual plan.	Colin Earl	From 6 April 2017	Completed; Information in the audit progress reports and annual report has been extended to include details of the calculation methodology, including where relevant, the implications of prior year and unplanned work.
7	The need and scope for collaboration including any joint working arrangements should be reviewed on an ongoing basis This view was partly reinforced through discussions with SLH regarding opportunities for more horizon scanning and wider dissemination of best practice generally in areas under audit review, that may be gleaned from other authorities with landlord responsibilities, which they identified would be particularly welcome	<p>Opportunities for collaboration, information sharing and service development are kept under review on an ongoing basis. A formal assessment of service needs will be completed during 2017/18, to inform the internal audit service provision from 2018/19.</p> <p>A review step will be built into audit work to explicitly consider alternatives to assist services in their development, to add better value to the audits completed.</p>	<p>Colin Earl</p> <p>Colin Earl</p>	<p>31 December 2017</p> <p>30 April 2017</p>	<p>Complete; Service review was finalised in November 2017 confirming audit service provision.</p> <p>Completed; This step is specifically included in the audit end-to-end process.</p>

8	Consider the team resilience, continuity, and development issues on an ongoing basis and in particular how capacity could be addressed if any of the three managers were to leave in the short to medium term.	Options would include developing and providing more opportunities and exposure to other staff within the team, mainly principal auditors The HoIA to monitor the position and tailor the team development plan to ensure, perhaps by way of coaching and exposure of principal auditors to completing and delivering complex work, the service can continue to meet future requirements.	Colin Earl Colin Earl	31 July 2017 31 December 2017	Completed; The completion of complex work and the enhanced involvement of other staff in finalising and reporting complex work was considered through the 2017/18 Personal Targets and Development Planning Processes. Complete; Service review was finalised in November 2017 confirming audit service provision.
9	For the purpose of clarity and transparency, the details of the audit services provided to SLH and Drainage Boards should be included within the Internal Audit Charter and the Strategy should be updated in respect of the Children's Services Trust.	An updated Audit Charter and Strategy will be presented to the Audit Committee in July 2017, to incorporate comments made by the Peer Review and changes to auditing standards that are currently being consulted on.	Pete Jackson	27 July 2017	Completed; The revised Charter and Strategy have been presented to the July Audit Committee incorporating changes to the auditing standards and the issues identified as part of the Peer Review.
10	Internal Audit job descriptions should be revised to include reference to the PSIAS	All job descriptions will be reviewed as part of the full service review to be completed by the end of December, 2017	Colin Earl	31 December 2017	Completed; New job descriptions have been produced as part of the service review

11	The PSIAS self-assessment identified a number of development issues which were incorporated into an action plan. Several of these have been completed but a number remain ongoing. The HoIA should ensure full implementation of the remaining issues in the self-assessment action plan.	The action plan will be merged with the Quality Assurance and Improvement Programme referred to in the recommendations made in the peer review, and reported to the Audit Committee on a regular basis to enable monitoring of progress.	Colin Earl	6 April 2017	Completed: Consolidated Action Plan produced and appended to the 2017/18 Audit Plan
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