

APPENDIX 1

CORPORATE AFFAIRS AND AUDIT COMMITTEE – INTERNAL AUDIT SCORECARD

Table 1 - Internal Audit Reports Issued in Final (since last update to Corporate Affairs and Audit Committee on 07 December 2017)

Audited System /Service	Directorate	Assurance Opinion	Priority			Draft Date	Final Date
			P1	P2	P3		
Purchasing Cards	Finance, Governance & Support	Moderate	0	3	1	30/10/2017	22/11/2017
Youth Offending Service	Children's Services	Moderate	0	4	1	10/11/2017	01/12/2017
Declarations of Interests	Finance, Governance & Support	Moderate	0	4	1	14/11/2017	07/12/2017
Town Hall Project Management	Growth and Place	Strong	0	1	2	16/11/2017	15/12/2017
Planning Enforcement	Growth and Place	Moderate	0	4	1	30/10/2017	20/12/2017
Data Protection Reforms	Finance, Governance & Support	Cause for Concern	1	7	1	28/11/2017	10/01/2018
Highways and Winter Maintenance	Growth and Place	Moderate	0	3	3	22/12/2017	10/01/2018
Compliance with Contract Procedure Rules	Finance, Governance & Support	Strong	0	1	0	17/10/2017	09/02/2018
Capital Accounting	Finance,	Strong	0	0	0	31/01/2018	21/02/2018

Audited System /Service	Directorate	Assurance Opinion	Priority			Draft Date	Final Date
			P1	P2	P3		
	Governance & Support						
Income Targets	Finance, Governance & Support	Strong	0	0	1	12/02/2018	26/02/2018
Property and Commercial Services	Growth and Place	Strong	0	1	1	12/02/2018	01/03/2018
Total		41	1	28	12		

Table 2 – Summary of Findings of Internal Audit Reports Issued in Final that have less than Good Assurance

Audit Title	Overall Assurance Level	Summary
Purchasing Cards 22/11/2017	Moderate	<p>Sample testing identified control weaknesses in relation to the use of purchasing cards which need to be addressed in order to strengthen the anti fraud environment and ensure that cards are used in accordance with procedures. Although there were only four recommendations included in the audit report, the issues with VAT recovery and the fact that 31% of card users tested were not performing any checks on the validity of their card expenditure meant that the overall assurance level could not be higher.</p> <p>Four actions were recommended of which all have since been confirmed as implemented.</p>
Youth Offending Service 01/12/2017	Moderate	<p>The main issues identified during the audit related to the weaknesses in anti-fraud controls in two main areas:</p> <ul style="list-style-type: none"> • The accurate completion of travel/visit related documentation, the retention of all supporting documentation, and the proper authorisation of travel expense claims; • The extent to which expenditure incurred by purchasing cards is monitored

Audit Title	Overall Assurance Level	Summary
		<p>and controlled.</p> <p>Testing demonstrated that only three of the six recommendations contained in the previous audit report issued in 2015, had continued to be complied with. Recommendations were therefore made again in these areas. Whilst, all key procedural documents were found to have been updated, there were some non-key procedure documents that still required review.</p> <p>Five actions were recommended of which two have been confirmed as implemented. The due date for the remaining three actions is 31/03/2018.</p>
<p>Declarations of Interest/Gifts & Hospitality 07/12/2017</p>	<p>Moderate</p>	<p>Clear guidance was available for officers and Members for declaring interests, gifts and hospitality under the current arrangements but the corporate process for managing declarations, once received, remained weak as highlighted in the 2016 audit. Improvements were still required to the control environment to ensure that any declarations are recorded, and responded to in a consistent and appropriate manner by management across all directorates. Overall, audit testing identified that several recommendations made during the previous audit in 2016, had not been fully implemented meaning that some issues remained. The management of declarations has since transferred to the Members and Statutory Services Manager and discussions during this audit proved positive in terms of the new manager's recognition of the weaknesses highlighted by the Principal Auditor and the steps that have already been taken to improve the control environment. For that reason, an assurance rating of moderate (rather than cause for concern) was given in the report.</p> <p>Five actions were recommended of which none have as yet been confirmed, by Internal Audit, as implemented due to none of the actions being due until the end of February 2018.</p>
<p>Planning Enforcement 20/12/2017</p>	<p>Moderate</p>	<p>Whilst a revised enforcement manual has been under development since April 2017, the existing version had not been updated since 2008 meaning that the manual had not captured legislative changes in the intervening period. Audit testing of a sample of alleged breaches reported to the Service identified that none had been dealt with in accordance with required timescales or had been adequately resolved. Performance monitoring in relation to enforcement action was found to require improvement and whilst the lack of an enforcement officer between June and October 2017 had contributed to these issues, audit testing confirmed that many of</p>

Audit Title	Overall Assurance Level	Summary
		<p>the issues pre-dated that period. It was anticipated that the new enforcement officer will address the control weaknesses raised in the report.</p> <p>Five actions were recommended of which none have as yet been confirmed, by Internal Audit, as implemented due to none of the actions being due until the end of March 2018.</p>
<p>Highways/Winter Maintenance 10/01/2018</p>	<p>Moderate</p>	<p>The main issues identified by the audit related to the lack of evidence to provide assurance that the Service is actively assessing its performance. This was due to an absence of performance monitoring information for both highways and winter maintenance, despite the winter maintenance plan stating that such data is collated. It was also identified that a number of highways related policy documents required updating to reflect current working arrangements. There is the potential to increase service resilience via the digital mapping of current gritting routes.</p> <p>Six actions were recommended of which none have as yet been confirmed, by Internal Audit, as implemented due to none of the actions being due until the end of March 2018.</p>
<p>Data Protection Reforms 10/01/2018</p>	<p>Cause for Concern</p>	<p>The Council has specialist knowledge and awareness of the Data Protection reforms and their impact and had identified some strategic actions that need to be undertaken, and had begun to communicate these changes and the impacts on services. Testing at the time of the audit identified the need for improvements in the strategic governance, planning, documenting, and resourcing the Council's approach and response to meeting the reforms by the legislative deadline of 25 May 2018. The report included one P1 action which has been implemented as detailed in Table 6 below.</p> <p>Nine actions were recommended of which six have been confirmed as implemented. Of the three remaining actions, two were due to have been completed by the end of January 2018 (as highlighted in Table 5 below although it is known that progress is well underway) and one is not due until the end of March 2018.</p>

Table 3 - Internal Audit Reports Issued in Draft (since last update to Corporate Affairs and Audit Committee on 07 December 2017)

Audited System /Service	Directorate	Assurance Opinion	Draft Report Issued
	Trading Limits Breach	Finance, Governance & Support	Cause for Concern
Social Care Payments	Social Care	Moderate	07/02/2018
Street Lighting Contract	Growth and Place	Cause for Concern	13/02/2018

Table 4 - Total Outstanding Audit Recommendations (that should have been implemented, based on agreed target date, by 28 February 2018)

Directorate	Total outstanding actions	P1	P2	P3
Finance, Governance and Support	6	0	5	1
Total	6	0	5	1

Table 5 - The analysis of the 6 outstanding actions is as follows:

Audit Title	Total	P1	P2	P3
Declarations of Interest	5	0	4	1
Compliance with Contract Procedure Rules	1	0	1	0
Total	6	0	5	1

Only 6 actions that had an agreed target date of 28th February 2018 or earlier are still outstanding. All six of the above actions have only just fallen due and requests for updates have been sent to the relevant action owners. Of the outstanding actions above, there are no significant risks to highlight at this time provided that all actions are implemented as agreed.

During 2016/17, 112 recommendations were made as a result of audits of which 88 have been implemented. The remaining 24 have not yet passed the agreed target date.

During 2017/18 (to date), 41 actions have been recommended (based on final reports issued), of which 14 have already been implemented leaving 27 still to be implemented although the due date has only passed for 6 of those as outlined in Table 5 above.

Table 6 – Progress to Implement Outstanding Priority 1 Actions (even if due date has not yet passed)

Audit Area	Audit recommendation	Target Date	Implemented	Comments
Data Protection Reforms	A programme management methodology should be implemented to include appointment of a sponsor, project management, definition of scope, designation of work streams, and production of a single comprehensive project plan to set out detailed action, expected outcomes, outputs, interdependencies, and timescales.	31/01/2018	Yes	The project brief has been provided to Internal Audit and has been assessed by the Programme Management Office (PMO) that a level 2 project management approach is sufficient for the project. The project brief will operate as a programme and will have milestones added the work streams develop individual plans. The brief has been approved by the Head of Performance and Partnerships. The Corporate Strategy Manager has reported that the PMO are satisfied with the level of content and that a separate risk register has been developed with the Information Governance Team and the Head of Performance and Partnerships and was due to be reviewed at project board meetings. As the implementation plans are developed, additional resources may be identified as required.