

AUDIT AND ASSURANCE COMMITTEE

Meeting date: 11 March 2021

From: GROUP AUDIT MANAGER

INTERNAL AUDIT PROGRESS REPORT TO 31 JANUARY 2021

1.0 EXECUTIVE SUMMARY

1.1 *The last update report you received was provided at the 15 January 2021 meeting which considered progress up to 15 December 2020. This report provides a summary of the work of Internal Audit between 15 December 2020 and 31 January 2021.*

1.2 *Key points are:*

- *Work is progressing on the reviews in the 2020/21 audit plan.***
- *Delays in starting 2020/21 audit work, the impact on Directorate teams responding to the impact of COVID-19 and Internal Audit providing support to the Council's response continues to have an impact on the delivery to date of planned work in our 2020/21 audit plan. We will continue to work to recover this position up to the date of my Head of Internal Audit opinion on 31 May 2021.***
- *The level of audits receiving Reasonable or Substantial assurance in 2020/21 is 73% (taking account of all current draft and final reports issued). This is only slight lower than the 76% at the same stage in 2019/20.***
- *As Head of Internal Audit, I am content with the progress made to date, the intended coverage of the audit plan and the work underway. However, the situation remains very challenging as the Council continues to respond to COVID and we will continue to closely monitor progress on the delivery of the 2020/21 audit plan and any impact on the delivery of the 2020/21 Head of Internal Audit Opinion.***
- *In forming my Head of Internal Audit Opinion at 31 May 2021 there will be a need to seek to rely on as many sources of evidence as possible.***
- *Work in the 2020/21 audit plan, which had not commenced at 31 January 2021, has been re-risk assessed and it is proposed that 6 audits will be included in the draft 2021/22 audit plan.***

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 ***Internal Audit's work is designed to provide assurance to management and members that effective systems of governance, risk management and internal control are in place in support of the delivery of Council Plan priorities.***
- 2.2 ***The Audit Plan aims to deliver a programme of internal audit reviews designed to target the areas of highest risk as identified through the corporate risk register together with management and internal audit view of key risk areas.***
- 2.3 ***The Accounts and Audit Regulations (2015) require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. These standards are the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN) to the Standards.***
- 2.4 ***Regular reporting to Audit and Assurance Committee enables emerging issues to be identified during the year.***

3.0 RECOMMENDATION

- 3.1 ***Members are asked to:***
 - a) ***note the progress and the outcomes of internal audit work***
 - b) ***approve the changes to the 2020/21 Audit Plan.***

4.0 BACKGROUND

- 4.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act. The Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. These standards are the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN) to the Standards.
- 4.2 Internal Audit is responsible for providing independent assurance to the Council's senior management and to the Audit and Assurance Committee on the systems of governance, risk management and internal control.
- 4.3 It is management's responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and that outcomes are achieved. Management is responsible for the system of internal control and should set in place policies, procedures and checks to ensure that controls are operating effectively.

- 4.4 The internal audit plan for 2020/21 was prepared using a risk-based approach and following consultation with senior management to ensure that internal audit coverage is focused on the areas of highest risk to the Council. The original draft audit plan was put together between December 2019 and February 2020 and was published with the agenda for the March 2020 Audit and Assurance Committee meeting, but this meeting was cancelled due to the COVID-19 outbreak. The draft plan for 2020/21 was re-assessed with senior management in light of the time elapsed and the COVID-19 outbreak. The re-assessed audit plan for 2020/21 was approved by the Audit and Assurance Committee on 29 July 2020. The plan has been prepared to allow the production of the annual internal audit opinion as required by the PSIAS.
- 4.5 The last update report you received was provided at the 15 January 2021 meeting which considered progress up to 15 December 2020. This report provides a summary of the work of Internal Audit between 15 December 2020 and 31 January 2021. It provides a summary of the outcomes of audit reviews completed in the period, including audits brought forward from previous years which also form part of Internal Audit's work plan for 2020/21.

Outcomes from Final Audit Reports to 31 January 2021

- 4.6 At 31 January 2021 we had completed 16 reviews from our 2020/21 audit plan, approved by the Audit and Assurance Committee in July 2020, and details are included in Appendix 1. Those shaded in grey have already been reported to the Committee.
- 4.7 Audits completed in this period are summarised below:

Audit area	Number of reviews	Assurance level
Risk based	5	3 Reasonable (including 1 follow up audit) and 2 Partial
School audits	1	1 Reasonable

- 4.8 Internal Audit has also been involved in:
- completing a total of 9 grant claims certified this year
 - continuing to provide admin support on the Multi-Agency Information Cell (MAIC)
 - Group Audit Manager continuing to represent the Finance Directorate on Silver Command during COVID-19 outbreak
 - being the key contact and co-ordinator for the mandatory National Fraud Initiative (NFI) exercise and involved in the upload of data for NFI 2020/21.

Draft Reports Issued to 31 January 2021

- 4.9 This section responds to the Committee's request to have an early indication of the outcomes of internal audit reviews. Should additional information or evidence be received through the closeout process, the initial assessment may be revised prior to finalisation of the report.
- 4.10 There are 4 audits which have been completed to draft report stage with 3 of them contributing to the 2020/21 Head of Internal Audit Opinion. The outcomes are summarised in the table below.

Directorate	Audit	Date of issue of draft report	Initial audit assurance level
People	Safeguarding Adults	June 2020	Partial
CC&CS	Significant contract review - external fostering framework	October 2020	Reasonable
People	Client Affairs	January 2021	Partial
Economy & Infrastructure	Carlisle Southern Link Road (CSLR) - governance arrangements	January 2021	Partial

- 4.11 If we take into account the three reviews completed to draft report stage, and add them to the 12 completed assurance reviews, then 73% received reasonable or substantial assurance. This is only just slightly lower than the 76% at the same stage in 2019/20.

Progress on follow up audits as at 31 January 2021

- 4.12 We have now completed 4 follow ups with all 4 (100%) having improved their assurance rating from partial to reasonable assurance (the highest opinion available for a follow up audit). A further 6 follow ups are currently being undertaken.

Status of internal audit work as at 31 January 2021

4.13 The table below shows the internal audit reviews included in Internal Audit's revised work plan for 2020/21. Further details of these are set out at Appendix 2.

Audit Status	No. of reviews
Completed	16
Draft report issued	3
In progress	20
Not yet started	10
Total reviews in audit plan at 15 December 2020	49
Removed from plan – see Para 4.24	(6)
Revised total reviews	43

4.14 Other work such as grant claims; National Fraud Initiative; wider support to the Council (AGS and MAIC) and ad hoc investigations are not included in these figures as work in these areas is not quantifiable in advance and may not always result in a written report.

Sufficiency of coverage

4.15 The agreed 2020/21 audit work plan originally included 51 reviews. In December 2020 there were some changes to the 2020/21 audit plan reducing it to 49 reviews. Some reviews will not be started at 31 March 2021 and we have re-assessed the audit plan for 2020/21 and it now contains 43 reviews.

4.16 In relation to planned audit work, it is expected that not all will be delivered before 31 March 2021, but this is consistent with established practice as the plan is intended to be a rolling programme. It is sufficiency of audit coverage which is critical to the ability of the Head of Internal Audit to deliver the annual opinion.

4.17 In our last update report in January 2021 we reported to the Audit and Assurance Committee that as a result of delays in starting the 2020/21 planned work, the impact on Directorate teams responding to the impact of COVID-19 and Internal Audit providing support to the Council's response continues to have an impact on the delivery to date of planned work in our 2020/21 audit plan. We will continue to seek to recover this position, where possible, up to the date of my Head of Internal Audit opinion on 31 May 2021. It was recognised that, where possible, Internal Audit would need to

move the timing of some audit reviews around as a result of key service staff availability due to them dealing with COVID-19 issues.

- 4.18 At the 31 January 2021 we have completed 16 audit reviews. Of these, 12 are assurance reviews, there are a further 3 assurance reviews at draft reports stage, giving us a total of 15 assurance reviews to be considered for the 2020/21 Head of Internal Audit Opinion. I also expected that by the time of the Audit and Assurance Committee meeting in March 2021 to have issued draft reports for a further 3 assurance reviews.
- 4.19 In overall terms we have we have completed, to at least draft report stage, 44% of our revised audit plan compared with 55% last year. However, we have also commenced a further 47% of the plan compared with 41% last year. It should be noted that school audits take less time to deliver and the 2019/20 position included 8 school audits whereas the 2020/21 position only includes 2 school audits. We took a conscious decision to reduce the overall number of school audits in 2020/21 to reflect the impact of COVID-19, and the delay in commencing the 2020/21 audit plan work. The latest lockdown has made the school audits we are currently undertaking a challenge.
- 4.20 As previously reported to the Committee, we continue to closely monitor the views and guidance from the Chartered Institute of Internal Auditors (IIA) and the Chartered Institute of Public Finance and Accountancy (CIPFA) in respect of the Head of Internal Audit Opinions for 2020/21. Having attended several regional and national events for heads of internal audit over the last two months the position can be summarised as:
- still a mixed picture across the country in terms of ability to give a Head of Internal Audit Opinion for 2020/21 without any limitation of scope
 - the level of normal internal audit work undertaken by audit teams in 2020/21 differs significantly across the country and across the type of authorities (counties, mets, districts)
 - several different approaches being taken to giving the Head of Internal Audit opinion in 2020/21 depending on the extent of normal audit work undertaken in 2020/21 but a clear message of utilising as many sources of evidence as possible
- 4.21 At the time of writing this report it's clear that parts of the Council's services are still very much on the frontline in terms of responding to the impact of COVID-19. However, it remains my view that we continue as planned, in terms of progressing our Internal Audit Plan for 2020/21, seeking to obtain appropriate coverage across the directorates to be able to deliver the 2020/21 Head of Internal Audit Opinion at 31 May 2021.
- 4.22 In forming my Head of Internal Audit Opinion at 31 May 2021 there will be a need to seek to rely on as many sources of evidence as possible and this will include:
- the outcome of our audit reviews undertaken
 - review of Assistant Director submissions to support the Annual Governance Statement
 - reports from inspectorates

- evidence gathered in my role as the Finance Directorate representative on Silver Command during COVID-19 outbreak

4.23 The position remains very challenging and we will continue to closely monitor progress on the delivery of the 2020/21 audit plan and any potential impact on the delivery of the 2020/21 Head of Internal Audit Opinion.

Amendments to Approved 2020/21 Audit Plan

4.24 As part of our work on the quarterly update and production of the draft internal audit plan for 2021/22 we have considered the audit reviews deemed 'Not yet started' as at 31 January 2021 in the table in paragraph 4.13. It should be noted that in some cases we have had discussions with officers during the year and it has become clear that, for various reasons, including the impact of COVID-19, undertaking the review during 2020/21 would not be appropriate at this time. Where our expectation is that a review in the 2020/21 plan will not start before 31 March 2021, these have been re-risk assessed and considered for inclusion in the 2021/22 draft audit plan. This means that 6 reviews have been rolled forward into the draft 2021/22 audit plan as follows:

- **Operator's Licence** – two 2020/21 planned audit reviews within Economy and Infrastructure Directorate had not commenced at 31 January 2021. In discussion with the Assistant Director it was agreed that we would progress the review on 'Highways conditions inspections' and roll forward the review on 'Operator's Licence' into the draft 2021/22 audit plan
- **Complaints** - the new complaints system was implemented at the end of 2019 and staff have been working on developing the system during 2020. It has been agreed that we will roll forward this review into the draft 2021/22 audit plan
- **Transforming Care Implementation for learning disabilities** – we agreed not to commence this audit until we have had further discussions with the Assistant Director. As a result, we are going to roll forward this review into the draft 2021/22 audit plan
- **Follow ups** – we have rolled forward into the 2021/22 audit plan three follow up reviews. These relate to 'Safeguarding Adults', 'Personal budgets' and 'ICT service continuity'. As the reports for the safeguarding adults and personal budgets original reviews were only issued in 2020/21 the follow ups have been rolled forward as the dates for implementation of some recommendations will be in 2021/22. We had planned to undertake the follow up of ICT service continuity in Q4 of 2020/21 but due to the continuing increased workload on the ICT team as a result of the latest lockdown we have agreed to roll this forward into the 2021/22 audit plan.

Richard McGahon, Group Audit Manager

March 2021

APPENDICES

Appendix 1: Summary of Final reports issued to 31 January 2021

Appendix 2: Progress on all risk based audits from the 2019/20 and 2020/21 audit plans

Appendix 3: Internal audit performance measures to 31 January 2021

IMPLICATIONS

Staffing: none
Financial: none
Property: none
Electoral Division(s): none

Executive Decision

	No*
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Key Decision

	No*
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If a Key Decision, is the proposal published in the current Forward Plan?

		N/A*
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Is the decision exempt from call-in on grounds of urgency?

	No*
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If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

		N/A*
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Has this matter been considered by Overview and Scrutiny?
If so, give details below.

	No*
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PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS ***[including Local Committees]***

No previous relevant decisions

CONSIDERATION BY OVERVIEW AND SCRUTINY

Not considered by Overview and Scrutiny

BACKGROUND PAPERS

No background papers

Contact: Richard McGahon, Richard.mcgahon@cumbria.gov.uk

APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 JANUARY 2021

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
REPORTS INCLUDED IN THE 2019/20 ANNUAL OPINION BUT FINALISED AFTER 15 JUNE 2020					
<p>Pensions</p> <p>(had been rolled forward and included in the reassessed 2020/21 audit plan but delivered earlier than expected and was included in 2019/20 opinion)</p>	Reasonable	0	1	1	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2020.
<p>CFRS - Sharing of risk information – internally, multi-agency and cross-border</p> <p>(had been rolled forward and included in the reassessed 2020/21 audit plan but delivered earlier than expected and was included in 2019/20 opinion)</p>	Reasonable	0	2	0	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2020.

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
CNDR Connect (this was in the 2019/20 audit plan and was included in 2019/20 opinion as a draft report but only finalised in 2020/21)	Partial	4	5	1	Details previously reported to the Audit and Assurance Committee meeting on 15 January 2021.
Follow up – Care Act Implementation (this was in the 2019/20 audit plan and was included in 2019/20 opinion as a draft report but only finalised in 2020/21)	Reasonable	0	0	0	Details previously reported to the Audit and Assurance Committee meeting on 15 January 2021.
CORPORATE / CROSS CUTTING					
Personal Protective Equipment (PPE) – Quality Assurance arrangements	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2020.

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
PEOPLE DIRECTORATE					
Follow up - Ullswater College	Reasonable	0	0	3	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
Lindale C of E Primary School, Grange	Reasonable	0	6	3	<p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • No evidence that the Finance, Premises and Staffing Committee Terms of Reference had been approved by the Full Governing Body and one of the aspects delegated to the Committee was not in accordance with the LA Scheme for Financing Schools • Financial Procedures and Policy for Financial Delegation document referenced out-dated guidance, some financial procedures were not sufficiently detailed and no evidence that the document had been considered by the Governors or Finance, Premises and Staffing Committee. • Current frequency of financial reporting arrangements in the School don't comply with the requirements of LA's Financial Regulations for Schools • Monthly bank reconciliations not independently reviewed and signed by the Head as required by the LA Scheme for Financing Schools. • Counter fraud and whistleblowing policies are not in place • Limited independent review of monthly payroll reports and no evidence is recorded of this review.

APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 JANUARY 2021

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Allocation of personal budgets	Partial	2	4	1	<p>High priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • No service risk register to demonstrate that personal budgets risks are identified and managed and not able to demonstrate there was a process in place for the ASC Senior Leadership Team to review and assess personal budget risks • Annual reviews of care and support plans not carried out for all service users with personal budgets, as required by the Care Act <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • Quarterly District Activity Profile (DAP) report used to monitor personal budget assessments, support plans and annual reviews is not an effective performance monitoring tool • Evidence to demonstrate that Team Managers had reviewed, and quality checked personal budget assessments and support plans not always recorded. New guidance implemented during our audit but too early to assess if these arrangements are effective • Requests to the Resource Management Meetings (RMM) to review individual assessments and support plans were not prioritised or defined in a formal agenda. RMM decision/outcome not always recorded on individual case files. RMM outcome didn't always include rationale to support the decision to agree packages of care with costs more than the RAS assessment indicative budget. No process to escalate actions arising from the RMMs to the ASC Leadership Team meetings • No monitoring to verify that managers and staff complete the required Adult Social Care training for care and support planning.

APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 JANUARY 2021

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Follow up – Deprivation of Liberty Safeguards (DoLS)	Reasonable	0	2	0	The assurance level has improved from partial to reasonable. There were 4 recommendations in the original report, and we found that two of the recommendations we tested had been implemented as far as possible until the Liberty Protection Safeguards legislation and Code of Practice is published. Where action could be taken management have made improvements to the arrangements in place since the original audit.
Focus Families Grant	N/A	N/A	N/A	N/A	Internal Audit has continued to audit 10% of Payment By Results (PBR) claims as required by the DCLG’s Troubled Families Financial Framework. Internal Audit staff have attended PBR meetings during 2020/21 and verified families’ eligibility for the programme and confirmed that relevant progress measures have been achieved.
CORPORATE CUSTOMER AND COMMUNITY SERVICES DIRECTORATE					
Follow up – ICT Projects	Reasonable	0	2	0	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
B/fwd - Decision making within the Council	Reasonable	0	2	0	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
ECONOMY AND INFRASTRUCTURE DIRECTORATE					
Growth Hub Grant 2019/20	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2020.

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Bus Service Operators Grant (BSOG)	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
Bransty Junction - Grant	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
Local Transport Capital Block Funding 2019/20 Grant	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
Cumbria Live Labs Grant	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
DfT Additional Pothole Fund Grant	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
Better Care Fund – Disabled Facilities Grant (DSG)	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
Follow up – Vacant Properties – Risk management arrangements	Reasonable	0	0	2	Details previously reported to the Audit and Assurance Committee meeting on 15 January 2021.

APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 JANUARY 2021

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Port of Workington	Reasonable	0	7	5	<p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • Actions still outstanding on the Workington Harbour Management Committee Action Plan, used to ensure the principles in the Department for Transport (DfT) Good Governance Guidance are achieved • Some inconsistencies between the Port’s documented Marine Safety Management System procedures and actual practices. Need to amend either the procedures or the actual practices • Issues identified in the last external audit report on the Marine Safety Management System (MSMS), and the agreed action plan for implementation, not provided to the Workington Harbour Management Committee or Duty Holder • No evidence to demonstrate progress on implementing external audit recommendations being effectively monitored and reported • No evidence to show the Port Manager (Designated Person) had formally reviewed the reports prepared by the Administration Team Leader, following the annual internal audit of the Port’s MSMS • Points raised in the report prepared following the annual internal audit of the MSMS, and the agreed action plan for implementation not provided to the Workington Harbour Management Committee or Duty Holder • Annual internal audits of the MSMS don’t routinely include a follow up of actions raised in the previous external audit or the last internal audit.

APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 JANUARY 2021

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Section 106 contributions	Reasonable	0	9	1	<p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • The review of the Planning Obligations Policy is overdue (partly due to Covid) • No documented operational procedures for S106 Contributions • No evidence of regular written reports to management or Local Committees • Spreadsheet record of contributions has not always been maintained up to date but management has recognised the need for a more robust record and is introducing a new system (Mastergov) • New monitoring system 'Mastergov' is not yet fully functional • Scope to improve communication and liaison with district councils to ensure all S106 Agreements are recorded by the County Council • Need to develop internal arrangements to ensure S106 Contributions are spent by the due date • Coding arrangements to be reviewed to provide a clearer audit trail in E5 • Service risk register has not been reviewed on a quarterly basis.
CUMBRIA FIRE AND RESCUE SERVICE					
Police and Crime Panel Grant	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2020.

APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 JANUARY 2021

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Cumbria Fire and Rescue Service (CFRS) - Operational Assurance	Partial	1	6	0	<p>One high priority recommendation relating to arrangements for recording and monitoring high priority action plans arising from Level 2 and Multi agency debriefs (the most serious / complex incidents) needing to be developed.</p> <p>a) Action plans did not always show clearly defined actions with expected completion dates</p> <p>b) There was no process in place to regularly monitor delivery against action plans or to validate that these had been fully implemented.</p> <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> The PDA (People, Development and Assurance) Department plans, which includes Operational Assurance, are not fully aligned to the CFRS Service Plan and actions in the HMICFRS report. There was no record to demonstrate that progress against PDA plans was regularly reported Roles and responsibilities for management of Operational Assurance are not defined. The Service Assurance Team's roles and responsibilities for undertaking and managing operational assurance activities have not been updated to reflect reductions in staffing resources

APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 JANUARY 2021

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Operational Assurance (Cont'd)	Partial	N/A	N/A	N/A	<p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • Controls provided by Operational Assurance to manage risks are not always fully documented on the CFRS Risk Register and the Programme Board’s regular review of controls in place to manage risks cannot always be demonstrated. Some support and training on effectively managing the CFRS Risk Register is being considered • Improvements in the use of Post Incident Debrief forms to show prioritisation of issues • Operational Assurance policies and service instructions were not up to date and consistent with current working arrangements. They were not always aligned to FRS National Operational Guidance. The process for monitoring and reporting on debriefs and publishing learning outcomes was not included. Relevant training modules also needed updating • Performance reporting needs to be further developed <ul style="list-style-type: none"> a) Although activity data is reported on a quarterly basis there are no regular performance reports on organisational learning with KPIs b) The action plan from the HMICFRS review does not always show the completion date or revised date against each action.

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
FINANCE DIRECTORATE					
Insurance	Substantial	0	0	1	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
B/fwd - Corporate review of Performance Information arrangements	Substantial	0	0	1	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.
COVID19 – Fraud Risk Assessment	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 23 November 2020.

APPENDIX 2 – PROGRESS ON AUDIT WORK 2020/21

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
COMPLETION OF WORK IN PROGRESS FROM PREVIOUS YEAR PLANS		115		
Cumbria Fire & Rescue Service	Sharing of risk information – internally, multi-agency and cross-border		Completed	Reasonable (included in 2019/20 opinion)
People	Follow up – Children with Additional needs		Fieldwork	
Corporate	Review of corporate performance information arrangements		Completed	Substantial
Corporate Customer & Community Services	Follow up - Ethical Policies		Fieldwork	
Corporate Customer & Community Services	Significant contracts review – external fostering framework		Draft report issued	
Corporate Customer & Community Services	Follow up – ICT Projects		Completed	Reasonable
Corporate Customer & Community Services	Decision making within the Council		Completed	Reasonable
Finance	Pensions		Completed	Reasonable (included in 2019/20 opinion)
People	Allocation of personal budgets		Completed	Partial

APPENDIX 2 – PROGRESS ON AUDIT WORK 2020/21

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
Economy and Infrastructure	LEP Funding		Fieldwork	
Economy and Infrastructure	Section 106 contributions		Completed	Reasonable
Corporate	Review of risk management arrangements	15	Not yet started	
Corporate	Complaints	20	Not yet started	
Corporate	Financial Sustainability	25	Not yet started	
Corporate / cross cutting	Emerging issues as a result of COVID-19 (see below for reviews undertaken)	35		
	Personal Protective Equipment (PPE) – Quality Assurance arrangements		Completed	
Corporate Counter-fraud	Review of Counter-Fraud arrangements	15	Fieldwork	
Corporate Counter-fraud	COVID-19 Fraud Risk Assessment	5	Completed	
People	High Needs Block (Education and Health Care Plan (EHCP) budget management)	25	Fieldwork	
People	Children Looked After Recovery Plan	25	Deferred until 2021/22 audit plan and to be renamed 'Increased Demand for Childrens Services'	
People	Early Help 0 -19 – contract management	25	Fieldwork	
People	Direct payments / individual service funds	25	Fieldwork	
People	Hospital Discharges (Dtoc)	20	Removed from 2020/21 audit plan.	

APPENDIX 2 – PROGRESS ON AUDIT WORK 2020/21

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
People	Emergency Duty Team (EDT)	20	Fieldwork – this will now be a follow up of our original report on EDT in Childrens Services	
People	Client Affairs	20	Draft report issued	
People (Schools)	See details below	40		
People (Schools)	Lakes School, Windermere		Fieldwork	
People (Schools)	St Joseph's, Workington		Fieldwork	
People (Schools)	Lindale C of E Primary School, Grange		Completed	Reasonable
Corporate Customer & Community Services	Data Protection Compliance	20	Fieldwork	
Corporate Customer & Community Services	SPROC net system (adam) – home care commissioning	25	Fieldwork	
Corporate Customer & Community Services	Transforming Care Implementation for learning disabilities	25	Not yet started	
Economy & Infrastructure	Highways Conditions Inspections	20	Not yet started	
Economy & Infrastructure	Operator's Licence	25	Not yet started	
Economy & Infrastructure	Managing Construction Health & Safety compliance	20	Fieldwork	
Economy & Infrastructure	Carlisle Southern Link Road (CSLR) - governance arrangements	20	Draft report issued	

APPENDIX 2 – PROGRESS ON AUDIT WORK 2020/21

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
Economy & Infrastructure	Renewi waste contract – Governance arrangements	15	Fieldwork	
Economy & Infrastructure	Port of Workington	20	Completed	Reasonable
Cumbria Fire & Rescue Service	Assets Management – acquisition and disposal of vehicles and major operational equipment	25	Fieldwork	
Cumbria Fire & Rescue Service	Operational assurance	20	Completed	Partial
Finance	Schools deficit recovery plans	20	Fieldwork	
Finance	Community Development Centres (CDC) – Governance arrangements	15	Not yet started	
Financial System audit	Insurance (compliance audit)	15	Completed	Substantial
Financial System audit	Accounts Payable (compliance audit)	20	Fieldwork	
Follow up Audits	Follow up provision (see below)	65		
Follow up	Follow up – Vacant Properties – Risk management arrangements		Completed	Reasonable
Follow up	Follow up - Planned maintenance		Fieldwork	
Follow up	Follow up – CNDR Connect		Fieldwork	
Follow up	Follow up – ICT Service Continuity		Not yet started	
Follow up	Follow up – Deprivation of Liberty Safeguards (DoLS)		Completed	Reasonable
Follow up	Follow up - Safeguarding adults		Not yet started	

APPENDIX 2 – PROGRESS ON AUDIT WORK 2020/21

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
Follow up	Follow up – Personal budgets		Not yet started	
Follow up	Follow up – Recording of drivers hours		Fieldwork	
Follow up	Follow up – Schools – Ullswater College		Completed	Reasonable
Grants				
People	Focus Families grant claims	10	Completed	
	Other Grant Claims – See below (Allocation for all claims received in year)	60		
	Police and Crime Panel Grant		Completed	
	Growth Hub Grant		Completed – this work relates to Cumbria LEP where Cumbria CC is the accountable body.	
	Bus Service Operators Grant (BSOG)		Completed	
	Bransty Junction Grant		Completed	
	Local Transport Capital Block Funding 2019/20 Grant		Completed	
	Better Care Fund (Disabled Facilities Grant)		Completed	
	Cumbria Growth Deal Grant		Not yet started	
	Cumbria Live Labs		Completed	
	DfT Additional Pothole Fund		Completed	

APPENDIX 2 – PROGRESS ON AUDIT WORK 2020/21

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
Corporate	National Fraud Initiative	25	NFI 2020 exercise in progress. Upload of required data completed.	
	General advice to reflect the changing environment in which we work and that issues may arise during the year. This time could be used for general advice, consultancy type work, or to provide proactive assurance on aspects of control during project implementation or emerging issues.	35	As required.	
	Liaison with 2nd line of defence colleagues to continue to develop annual audit opinion on risk management arrangements and input into the development of corporate approaches to fraud and governance (including Annual Governance Statement).	15		
	Management, planning, supervision	160		
	Internal audit service development	30		
	TOTAL AUDIT DAYS AS PER AGREED PLAN	1,135		
	Supporting the wider Council - Representing Finance Directorate on Silver Command	10	Ongoing	
	Supporting the wider Council - Multi-Agency Information Cell (MAIC) – admin support	40	Ongoing	
	Supporting the wider Council - Annual Governance Statement – admin support	5	Completed	
	TOTAL DAYS AS PER AGREED PLAN	1,190		

APPENDIX 3 – INTERNAL AUDIT MEASURES OF PERFORMANCE TO 31 JANUARY 2021

Measure	Description	Target	Actual	Explanations / remedial action required
Completion of audit plan	% of audits completed to draft / final report	55% (based on 2019/20 YTD actual)	44%	19 reports out of 43.
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	75%	
Timeliness of final reports	% of final reports issued for corporate director comments within 5 working days of management response or closeout meeting (where no additional work required to be undertaken)	90%	87%	
Recommendations agreed	% of high / medium priority recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	71%	
Quality assurance checks completed	% of QA checks completed	100%	100%	

Measure	Description	Target	Actual	Explanations / remedial action required
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	100%	Based on 2 questionnaires returned YTD.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	69%	Q3 data to 31 January 2021.