

AUDIT AND ASSURANCE COMMITTEE

Meeting date: 14 September 2021

From: GROUP AUDIT MANAGER

INTERNAL AUDIT PROGRESS REPORT TO 31 JULY 2021

1.0 EXECUTIVE SUMMARY

1.1 This report provides a summary of the work of Internal Audit in the four months to 31 July 2021.

1.2 Key points are:

- Work is progressing on the completion of outstanding 2020/21 audit work and on work from the 2021/22 audit plan.**
- The 2021/22 audit plan includes 115 days of unallocated time relating to the 'People' and 'Corporate, Customer & Community Services' Directorates as key directorate staff had to prioritise responding to the COVID-19 pandemic when the plan was produced. We have held initial discussions with the relevant Assistant Directors in terms of potential audit reviews and an update will be provided once these have been agreed.**
- We will continue to closely monitor progress on the delivery of the 2021/22 audit plan and will provide the Committee with an update at its meeting on 3 December 2021, including any changes to the plan and consideration of the delivery of the 2021/22 Head of Internal Audit Opinion at that point.**
- The Cumbria Shared Internal Audit Service had previously been extended up to the end of the current agreement on 31 March 2022. The Police and Crime Commissioner (PCC) for Cumbria has undertaken an exercise to procure internal audit services for itself and the Chief Constable from 1 April 2022. Although our proposal was seen as safe, compliant and professional we were unfortunately not successful and therefore the current shared service arrangement will cease on 31 March 2022.**

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 note:*
- a) *the progress and the outcomes of internal audit work*
 - b) *the ending of the Cumbria Internal Audit Shared Service on 31 March 2022*

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 2021/22 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. When producing the 2021/22 plan we continued to experience the ongoing impact of the COVID-19 outbreak. We have included 115 days of unallocated time in the 2021/22 audit plan relating specifically to the 'People' and 'Corporate, Customer & Community Services' Directorates. This reflects the fact that key directorate staff have had to prioritise responding to the COVID-19 pandemic at that time. We have held initial discussions with the relevant Assistant Directors in terms of potential audit reviews and an update will be provided once these have been agreed. The audit plan for 2021/22 was approved by the Audit and Assurance Committee on 11 March 2021. The plan has been prepared to allow the production of the annual internal audit opinion as required by the PSIAS.
- 4.5 This report provides an update on the work of internal audit for the four months up to 31 July 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 2021/22. In addition, we have also reported a summary of the outcomes of audits which were at draft report stage at 31 May 2021, included in the 2020/21 Head of Internal Audit opinion, and have now been finalised.

Outcomes from Final Audit Reports to 31 July 2021

4.6 At 31 July 2021 we had completed 6 reviews from our 2021/22 audit plan, approved by the Audit and Assurance Committee in March 2021, and details are included in Appendix 1 and summarised below:

| Audit area | Number of reviews | Assurance level |
|--------------------------------|--------------------------|--|
| Risk based | 1 | Substantial |
| Consultancy / Advisory | 1 | Consultancy / advisory work is not graded. |
| Risk based 2020/21 b/fwd | 4 | <p>4 Reasonable – these related to reviews on:</p> <ul style="list-style-type: none"> • Community Development Centres (CDC) – Governance arrangements • Child and Family Support Services contract management • Managing Construction Health & Safety compliance - Building Construction • Managing Construction Health & Safety compliance - Highways and Construction <p>These reviews were not expected to be at draft report stage, or finalised by 31 March 2021, due to impact of COVID-19, and were therefore rolled forward into the 2021/22 audit plan. However, we managed to progress them sufficiently to include them in the Head of Internal Audit Opinion in 2020/21.</p> |

In addition to the reviews finalised in the table above we have also finalised a further two reports which were not included in the 2021/22 audit plan as these were expected to have been completed by 31 March 2021. These are summarised in Appendix 1.

4.7 Internal Audit has also been involved in:

- completing work on 7 grant claims with work progressing on a further 3 grant claims
- providing support for the Annual Governance Statement (AGS) 2020/21
- being the key contact and co-ordinator for the mandatory National Fraud Initiative (NFI) exercise
- producing a presentation to bid for the provision of internal audit services to the Police and Crime Commissioner for Cumbria (and the Chief Constable for Cumbria Constabulary) from 1 April 2022

Draft Reports Issued to 31 July 2021

- 4.8 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.
- 4.9 There are 6 audits which have been completed to draft report stage with 4 of them included in previous years Head of Internal Audit Opinion. The outcomes of these are summarised in the table below.

| Directorate | Audit | Date of issue of draft report | Initial audit assurance level |
|--------------------------|--|--------------------------------------|--------------------------------------|
| People | Safeguarding Adults | June 2020 | Partial |
| People | Significant contract review - external fostering framework | October 2020 | Reasonable |
| People | Follow up - Children with additional needs – North Cumbria | May 2021 | Reasonable |
| People | Follow up - Children with additional needs – South Cumbria | May 2021 | Partial |
| People | High Needs Block (EHCP budget management) | June 2021 | Partial |
| Economy & Infrastructure | Operator’s Licence | July 2021 | Reasonable |

Status of internal audit work as at 31 July 2021

- 4.10 The table below shows the internal audit reviews included in Internal Audit’s work plan for 2021/22. Further details of these are set out at Appendix 2.

| Audit Status | No. of reviews |
|--------------------------------------|-----------------------|
| Total reviews in original audit plan | 57 |
| Completed | 6 |
| Draft report issued | 4 |
| In progress | 19 |
| Not yet started | 28 |

- 4.11 Other work such as grant claims; National Fraud Initiative; wider support to the Council 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

- 4.12 The agreed 2021/22 audit work plan includes 57 reviews which is slightly higher than the previous year. This was a conscious decision to reflect, where possible, a return to 'business as usual' in terms of resources and time available until I am required to give the Head of Internal Audit Opinion for 2021/22.
- 4.13 In relation to planned audit work, not all will be delivered before 31 March 2022, 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.
- 4.14 During 2020/21 we reported to the Audit and Assurance Committee the impact that the COVID-19 outbreak had on the delivery of work in our 2020/21 audit plan. To gain sufficient audit coverage to deliver the Head of Internal Audit Opinion for 2020/21 we included reports issued to 31 May 2021, so it was expected that we'd have less to report in our first progress report for 2021/22. We have already recommenced work brought forward from the 2020/21 audit plan and have commenced, and delivered some, new work in the 2021/22 audit plan. The 2021/22 audit plan will need to remain fluid this year in light of any ongoing impact of COVID-19 and the work required as part of local government re-organisation. We will continue to closely monitor progress on the delivery of the 2021/22 audit plan and will provide the Committee with an update at its meeting on 3 December 2021 including any changes to the plan and any potential impact on the delivery of the 2021/22 Head of Internal Audit Opinion.

The Future of Cumbria Shared Internal Audit Service

- 4.15 The current Cumbria Shared Internal Audit Service commenced on 1 April 2017 and consists of Cumbria County Council (the host) and the Police and Crime Commissioner (PCC) for Cumbria (who commissioned the service on behalf of the Chief Constable for Cumbria Constabulary). The agreement was an initial term of 3 years with the option to extend by up to 2 years. Option to extend was exercised, taking us up to the end of the current agreement on 31 March 2022.
- 4.16 The PCC for Cumbria has undertaken an exercise to procure internal audit services for itself and the Chief Constable from 1 April 2022. As part of this process, we were asked to give a presentation to a panel in early August 2021 followed by questions. Although our proposal was seen as a safe, compliant and professional we were unfortunately not successful and therefore the current shared service arrangement will cease on 31 March 2022, although we will still need to complete the Head of Internal Audit Opinions for 2021/22 for the PCC and Chief Constable.

4.17 The internal audit staff are already employed by Cumbria County Council so from 1 April 2022 they will be focused on delivery of the Council's 2022/23 Internal Audit Plan and support for local government re-organisation.

Richard McGahon, Group Audit Manager
September 2021

APPENDICES

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

Appendix 2: Progress on all risk based audits from the 2020/21 and 2021/22 audit plans

Appendix 3: Internal audit performance measures to 31 July 2021

IMPLICATIONS

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

Executive Decision

| | |
|--|-----|
| | No* |
|--|-----|

Key Decision

| | |
|--|-----|
| | No* |
|--|-----|

If a Key Decision, is the proposal published in the current Forward Plan?

| | | |
|--|--|------|
| | | N/A* |
|--|--|------|

Is the decision exempt from call-in on grounds of urgency?

| | |
|--|-----|
| | No* |
|--|-----|

If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

| | | |
|--|--|------|
| | | N/A* |
|--|--|------|

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

| | |
|--|-----|
| | No* |
|--|-----|

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

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

| Audit Review | Assurance Level | Recommendation Priority | | | Summary of key outcomes and recommendations |
|--|-----------------|-------------------------|--------|----------|---|
| | | High | Medium | Advisory | |
| REPORTS INCLUDED IN THE 2020/21 ANNUAL OPINION BUT FINALISED AFTER 31 MAY 2021 | | | | | |
| <p>Community Development Centres (CDC) – Governance arrangements</p> <p>(this was in the 2021/22 audit plan but was sufficiently progressed to be included in 2020/21 opinion as a draft report but only finalised in 2021/22)</p> | Reasonable | 0 | 0 | 0 | Details previously reported to the Audit and Assurance Committee meeting on 14 June 2021. |
| <p>Child and Family Support Services contract management</p> <p>(this was in the 2021/22 audit plan but was sufficiently progressed to be included in 2020/21 opinion as a draft report but only finalised in 2021/22)</p> | Reasonable | 0 | 3 | 3 | <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • DMT has not received regular updates on Child and Family Support Services contract performance • No evidence of the service checking the validity of KPI information • No record that key contract documentation submitted by the provider have been checked as appropriate and no process for ensuring essential documents are up to date (for example, insurance cover). |

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| Audit Review | Assurance Level | Recommendation Priority | | | Summary of key outcomes and recommendations |
|---|-----------------|-------------------------|--------|----------|---|
| | | High | Medium | Advisory | |
| <p>Managing Construction Health & Safety compliance - Building Construction</p> <p>(this was in the 2021/22 audit plan but was sufficiently progressed to be included in 2020/21 opinion as a draft report but only finalised in 2021/22)</p> | Reasonable | 0 | 3 | 0 | <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • The Construction, Design and Management (CDM) manual has still to be approved and rolled out • Qualification and training needs of staff have not been identified • Minutes of contractor progress meetings are not always taken to demonstrate that health and safety and other relevant matters are discussed. |
| <p>Managing Construction Health & Safety compliance - Highways and Construction</p> <p>(this was in the 2021/22 audit plan but was sufficiently progressed to be included in 2020/21 opinion as a draft report but only finalised in 2021/22)</p> | Reasonable | 0 | 2 | 0 | <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • The Construction, Design and Management (CDM) manual has still to be approved and rolled out • Some on-going projects will not be compliant with the new CDM manual. |

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| Audit Review | Assurance Level | Recommendation Priority | | | Summary of key outcomes and recommendations |
|---|-----------------|-------------------------|--------|----------|--|
| | | High | Medium | Advisory | |
| <p>Data Protection Compliance</p> <p>(this was in the 2020/21 audit plan and was included in 2020/21 opinion as a draft report but only finalised in 2021/22)</p> | Partial | 1 | 7 | 0 | <p>One high priority recommendation relating to project management arrangements for ensuring effective compliance with GDPR. Different action plans were used over a period of time, but it was not always clear how these related to one another or whether all outstanding points were included in subsequent plans. Sign off arrangements for plans not clear. Regular review of risks relating to the various action plans could not always be evidenced.</p> <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • Inconsistencies between risks relating to Data Protection compliance in the Legal & Democratic Services Service Plan and Risk Register. No formal process in place to regularly review the Risk Register • The Information Asset Register (IAR) Risk Register continued to be developed. IAR project risks relating to the IAR Action Plan were not identified, managed and reported. No oversight arrangement to regularly review IAR Action Plan risks • Members had not received regular training on data protection compliance requirements. Members were last trained in May 2018 and have not been offered any further training • Data Breach lessons learned actions did not have clearly defined outcomes or target completion dates, and not always able to demonstrate actions were implemented. Open incidents with lessons learned actions were not regularly reviewed and no formal process for closing data breach incidents |

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|-------------------------------------|-----------------|-------------------------|--------|----------|--|
| | | High | Medium | Advisory | |
| Data Protection Compliance (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"> The GDPR Compliance Policy did not show a record of the recent changes to the policy, who formally approved these, the date the policy was approved prior to publication and the policy's next review date. The policy did not reflect guidance on the new assurance arrangements for compliance with GDPR requirements (The Data Protection Accountability Statement). The Data Breach Reporting Policy & Procedure had not been updated or cross-referenced to the guidance in the new Data Breach Reporting Criteria Procedure The Data Protection Accountability Statement to be used to provide assurance on compliance with GDPR requirements going forward, was still being developed during the audit. There was no requirement on the draft accountability statement to show a record of the assessment outcome against each measure, with a RAG rating and a link to the action plan to manage any improvements The Information Governance Quarterly Performance Report, used to report data breach incident performance activity by directorates, is no longer reviewed by Corporate Management Team. There is therefore no process in place for sharing data breach activity and action taken with individual Directorates on an ongoing basis. |

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|---|-----------------|-------------------------|--------|----------|---|
| | | High | Medium | Advisory | |
| <p>Schools deficit recovery plans</p> <p>(this was in the 2020/21 audit plan and was included in 2020/21 opinion as a draft report but only finalised in 2021/22)</p> | Reasonable | 0 | 3 | 1 | <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • Applications for licensed deficits could not be provided for all schools tested and there was no monitoring to ensure that schools with budget issues attend Finance training on addressing a deficit budget • School financial forecasts included in monthly corporate budget monitoring reports are not up to date as they are based on budget returns which may have changed • Financial challenge / support could not be evidenced for all schools with deficits included within our sample testing. |

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| Audit Review | Assurance Level | Recommendation Priority | | | Summary of key outcomes and recommendations |
|---|-----------------|-------------------------|--------|----------|--|
| | | High | Medium | Advisory | |
| CORPORATE / CROSS CUTTING | | | | | |
| Review of Lateral Flow Testing (LFT) Arrangements in place at April 2021 in response to the Covid-19 pandemic | N/A | N/A | N/A | N/A | <p>This was an advisory review to assess the arrangements management had put in place, by March 2021, to obtain its own assurance that Lateral Flow Testing (LFT) - the Community Testing Programme - was being carried out appropriately.</p> <p>The review considered customer service and customer support, stock management, training, governance arrangements and resources and finances. The review was undertaken during the Covid-19 epidemic, and whilst lockdown arrangements were in place, which meant certain limitations on our ability to undertake some work such as detailed testing of records or site visits.</p> <p>Recommendations were made to improve arrangements in the following areas:</p> <ul style="list-style-type: none"> • Formalise arrangements for obtaining and evaluating user / customer feedback for customer experience at community testing sites and employer feedback on training received to operate their own testing at work premises • Document procedures more thoroughly. For example, receipting and issuing LFT kits at community testing sites, updating Skirsgill Depot procedures for introduction of home test kits and documenting stock procedures at workplace testing sites |

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| Audit Review | Assurance Level | Recommendation Priority | | | Summary of key outcomes and recommendations |
|--|-----------------|-------------------------|--------|----------|--|
| | | High | Medium | Advisory | |
| Review of Lateral Flow Testing (LFT) Arrangements in place at April 2021 in response to the Covid-19 pandemic (Cont'd) | N/A | N/A | N/A | N/A | <p>Recommendations were made to improve arrangements in the following areas:</p> <ul style="list-style-type: none"> • Reconciliation of stock: Physical LFT kit stock at community testing sites should be reconciled to stock records on a regular basis; overall stock reconciliation that combines receipts – usage – stock remaining across all sites • Standing Operating Procedure (SOP) arrangements to be improved - Receipt of signed Acceptance of SOP for all workplace testing sites should be monitored and where not received, this should be raised with the relevant testing site. Also checks that test sites have received any revisions to SOP • Evidence of successful completion of relevant training for staff / volunteers at test sites should be retained • Ensure there is regular monitoring of return of Risk Assessments from employers to ensure all have been completed • Arrangements for the Chief Internal Auditor and Chief Executive sign off to be made at end of overall Programme • Community Sites and workplaces should ideally nominate a second point of contact in case primary contact is unavailable • A regular reconciliation of the Cumbria record of tests completed to the national system should be undertaken to identify differences by test site and any issues followed up. |

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| Audit Review | Assurance Level | Recommendation Priority | | | Summary of key outcomes and recommendations |
|--|-----------------|-------------------------|--------|----------|---|
| | | High | Medium | Advisory | |
| PEOPLE DIRECTORATE | | | | | |
| No reviews for 2021/22 completed to date. | | | | | |
| CORPORATE CUSTOMER AND COMMUNITY SERVICES DIRECTORATE | | | | | |
| No reviews for 2021/22 completed to date. | | | | | |
| ECONOMY AND INFRASTRUCTURE DIRECTORATE | | | | | |
| Growth Hub Grant 2020/21 | N/A | N/A | N/A | N/A | Audit report issued on 24 May 2021. |
| Travel Demand Management Grant 2020/21 | N/A | N/A | N/A | N/A | Audit report issued on 26 May 2021. |
| EU Transition Business Growth Hub Funding Grant 2020/21 | N/A | N/A | N/A | N/A | Audit report issued on 27 May 2021. |
| Growth Hub Supplementary Funding Grant 2020/21 | N/A | N/A | N/A | N/A | Audit report issued on 10 June 2021. |

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| Audit Review | Assurance Level | Recommendation Priority | | | Summary of key outcomes and recommendations |
|--|-----------------|-------------------------|--------|----------|--|
| | | High | Medium | Advisory | |
| Peer Network Funding Grant 2020/21 for Cumbria LEP | N/A | N/A | N/A | N/A | Audit report issued on 30 June 2021. |
| Additional Dedicated Home to School Grant 2020/21 | N/A | N/A | N/A | N/A | Audit report issued on 8 July 2021. |
| Trading Standards - Approved Premises Inspection process | Substantial | 0 | 0 | 1 | Only one advisory recommendation made. |
| CUMBRIA FIRE AND RESCUE SERVICE | | | | | |
| Police and Crime Panel Grant 2020/21 | N/A | N/A | N/A | N/A | 2020/21 annual grant claim reviewed and certificate issued 20 July 2021. |
| FINANCE DIRECTORATE | | | | | |
| No reviews for 2021/22 completed to date. | | | | | |

APPENDIX 2 – PROGRESS ON AUDIT WORK FROM THE 2020/21 AND 2021/22 AUDIT PLANS

| Directorate / Audit type | Audit | Planned days | Stage | Assurance level |
|--|--|--------------|---------------------|---|
| COMPLETION OF WORK IN PROGRESS FROM PREVIOUS YEAR PLANS | | 160 | | |
| Corporate Customer & Community Services | SPROC net system (Adam) - Home Care Commissioning | | Fieldwork | |
| Economy and Infrastructure | Highways Conditions Inspections | | Fieldwork | |
| Economy and Infrastructure | Managing Construction Health & Safety Compliance – Building Construction | | Completed | Reasonable (included in 2020/21 opinion) |
| Economy and Infrastructure | Managing Construction Health & Safety Compliance – Highway Construction | | Completed | Reasonable (included in 2020/21 opinion) |
| Corporate | Financial Sustainability | | Not yet started | |
| People | High Needs Block (EHCP budget management) | | Draft report issued | |
| People | Child & Family support services (Early Help 0-19) - Contract Management | | Completed | Reasonable (included in 2020/21 opinion) |
| Economy and Infrastructure | Renewi Waste Contract - Governance arrangements | | Fieldwork | |
| People | Direct Payments / Individual service funds | | Fieldwork | |

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| Directorate / Audit type | Audit | Planned days | Stage | Assurance level |
|---|--|--------------|---------------------|---|
| Economy and Infrastructure | LEP Funding | | Fieldwork | |
| People | Community Development Centres – Governance arrangements | | Completed | Reasonable (included in 2020/21 opinion) |
| People | Lakes School, Windermere | | Fieldwork | |
| Economy and Infrastructure | Follow up – Planned maintenance | | Fieldwork | |
| Economy and Infrastructure | Follow up – CNDR Connect | | Fieldwork | |
| Economy and Infrastructure | Follow up – Recording of drivers hours | | Fieldwork | |
| People | Follow up – Children with additional needs – North Cumbria | | Draft report issued | |
| People | Follow up – Children with additional needs – South Cumbria | | Draft report issued | |
| Corporate Customer & Community Services | Follow up – Ethical Policies | | Fieldwork | |
| Corporate | Review of risk management arrangements | 15 | Not yet started | |
| Corporate | Complaints | 20 | Fieldwork | |
| Corporate | Financial Sustainability | 20 | Not yet started | |
| Corporate / cross cutting | Consultancy / VFM style reviews | 30 | Not yet started | |

APPENDIX 2 – PROGRESS ON AUDIT WORK FROM THE 2020/21 AND 2021/22 AUDIT PLANS

| Directorate / Audit type | Audit | Planned days | Stage | Assurance level |
|---|--|--------------|-----------------|-----------------|
| Corporate Counter-fraud | Review of Counter-Fraud arrangements | 15 | Fieldwork | |
| People | Sufficiency of Early Years places | 20 | Fieldwork | |
| People | Regional Adoption Agency | 20 | Not yet started | |
| People | Domestic Abuse | 20 | Not yet started | |
| People | Unallocated time | 90 | Not yet started | |
| People (Schools) | See details below | 65 | | |
| People (Schools) | St. Benedict's School, Whitehaven | | Fieldwork | |
| People (Schools) | Ellenborough and Ewanrigg Infants School, Maryport | | Fieldwork | |
| People (Schools) | Parkview Nursery, Millom | | Fieldwork | |
| People (Schools) | St Bridget's RC School, Egremont | | Fieldwork | |
| People (Schools) | St Mark's School, Natland | | Not yet started | |
| Corporate Customer & Community Services | COVID grants | 20 | Not yet started | |
| Corporate Customer & Community Services | Lateral Flow Testing (LFT) | 15 | Completed | |
| Corporate Customer & Community Services | Transforming Care Implementation for learning disabilities | 20 | Not yet started | |
| Corporate Customer & Community Services | Unallocated time | 25 | Not yet started | |

APPENDIX 2 – PROGRESS ON AUDIT WORK FROM THE 2020/21 AND 2021/22 AUDIT PLANS

| Directorate / Audit type | Audit | Planned days | Stage | Assurance level |
|-------------------------------|--|--------------|---------------------|-----------------|
| Economy & Infrastructure | Contract management – non-significant contracts | 20 | Not yet started | |
| Economy & Infrastructure | Operator's Licence | 25 | Draft report issued | |
| Economy & Infrastructure | New Highways Information Management System | 20 | Not yet started | |
| Economy & Infrastructure | Bridges and Structures | 20 | Fieldwork | |
| Economy & Infrastructure | Carlisle Southern Link Road (CSLR) governance arrangements | 15 | Not yet started | |
| Economy & Infrastructure | Capital Programme – Monitoring and Management of Consultancy Spend and Utilisation | 20 | Not yet started | |
| Economy & Infrastructure | Trading Standards – Approved Premises Inspection Process | 20 | Completed | Substantial |
| Cumbria Fire & Rescue Service | Assets Management | 20 | Not yet started | |
| Cumbria Fire & Rescue Service | Maintenance of Operational Equipment | 20 | Not yet started | |
| Finance | Progress on implementing CIPFA Financial Management Code | 20 | Not yet started | |
| Financial System audit | Main Accounting (compliance audit) | 20 | Not yet started | |
| Financial System audit | Payroll (compliance audit) | 20 | Not yet started | |
| Follow up Audits | Follow up provision (see below) | 40 | | |

APPENDIX 2 – PROGRESS ON AUDIT WORK FROM THE 2020/21 AND 2021/22 AUDIT PLANS

| Directorate / Audit type | Audit | Planned days | Stage | Assurance level |
|--------------------------|--|--------------|---|-----------------|
| Follow up | Follow up – CFRS Operational assurance | | Fieldwork | |
| Follow up | Follow up – Client affairs | | Not yet started | |
| Follow up | Follow up – Data Protection (GDPR) | | Not yet started | |
| Follow up | Follow up – ICT Service Continuity | | Not yet started | |
| Follow up | Follow up - Safeguarding adults | | Not yet started | |
| Follow up | Follow up – Personal budgets | | Not yet started | |
| Grants | | | | |
| People | Focus Families grant claims | 10 | In progress - Internal Audit attending PBR meetings and undertake a 10% sample check on files to support the claim. | |
| | 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. | |
| | Growth Hub Supplementary Funding Grant 2020/21 | | Completed – this work relates to Cumbria LEP where Cumbria CC is the | |

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| Directorate / Audit type | Audit | Planned days | Stage | Assurance level |
|--------------------------|--|--------------|--|-----------------|
| | | | accountable body. | |
| | EU Transition Business Growth Hub Funding Grant 2020/21 | | Completed – this work relates to Cumbria LEP where Cumbria CC is the accountable body. | |
| | Peer Network Funding Grant 2020/21 for Cumbria LEP | | Completed – this work relates to Cumbria LEP where Cumbria CC is the accountable body. | |
| | Travel Demand Management Grant 2020/21 | | Completed | |
| | Additional Dedicated Home to School Grant 2020/21 | | Completed | |
| | Bus Service Operators Grant (BSOG) | | Fieldwork | |
| | Local Transport Capital Funding BLOCK 2020/21 Grant | | Fieldwork | |
| | Grants - TIIF Highways Maintenance Challenge Fund - Specific Grant 2020/21 | | Fieldwork | |
| | DfT Pothole and Challenge Fund 2020/21 | | Not yet started | |
| | Community Testing Grant | | Not yet started | |
| | Cumbria Live Labs | | Not yet started | |
| | Better Care Fund (Disabled Facilities Grant) | | Not yet started | |

APPENDIX 2 – PROGRESS ON AUDIT WORK FROM THE 2020/21 AND 2021/22 AUDIT PLANS

| Directorate / Audit type | Audit | Planned days | Stage | Assurance level |
|--------------------------|---|--------------|--|-----------------|
| Corporate | National Fraud Initiative | 50 | The NFI 2020 exercise is in progress. Data match reports were received in February 2021 and Internal Audit has reviewed and discussed these with relevant leads in Directorates. Matches are now being investigated by Directorate contacts and Internal Audit is supporting this process and monitoring progress. | |
| | 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. | 25 | 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 | 20 | | |
| | External Quality Assessment - Preparation | 15 | | |

APPENDIX 2 – PROGRESS ON AUDIT WORK FROM THE 2020/21 AND 2021/22 AUDIT PLANS

| Directorate / Audit type | Audit | Planned days | Stage | Assurance level |
|--------------------------------------|-------|--------------|-------|-----------------|
| TOTAL DAYS AS PER AGREED PLAN | | 1,190 | | |

APPENDIX 3 – MEASURES OF INTERNAL AUDIT PERFORMANCE

| Measure | Description | Target | Actual | Explanations / remedial action required |
|---|---|-------------------------------------|--------|---|
| Completion of audit plan | % of audits completed to draft / final report | 8% (based on 2020/21 YTD actual) | 18% | 10 reports out of 57. |
| 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% | 80% | |
| 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% | 100% | |
| 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% | 50% | |
| 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% | 79% | Based on 4 questionnaire returned YTD. |
| Chargeable time | % of available auditor time directly chargeable to audit jobs. | 80% | 80% | Q1 data. |