

# **AUDIT AND ASSURANCE COMMITTEE**

**Meeting date: 9 December 2019**

**From: GROUP AUDIT MANAGER**

## **INTERNAL AUDIT PROGRESS REPORT TO 31 OCTOBER 2019**

### **1.0 EXECUTIVE SUMMARY**

**1.1 *This report provides a summary of the work of Internal Audit in the three months to 31 October 2019.***

**1.2 *Key points are:***

- Work is progressing on the reviews in the 2019/20 audit plan.***
- It is anticipated that sufficient overall coverage will be achieved by the 31 May 2020 to enable the Head of Internal Audit to provide the 2019/20 annual opinion.***

### **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 the progress and the outcomes of internal audit work.***

### **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 2019/20 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 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 three months up to 31 October 2019. 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 2019/20.

#### **Outcomes from Final Audit Reports to 31 October 2019**

4.6 At 31 October 2019 we had completed 12 reviews from our 2019/20 audit plan 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:

<b>Audit area</b>	<b>Number of reviews</b>	<b>Assurance level</b>
Risk based	1	1 Partial
Follow ups	3	2 Reasonable (both schools) and 1 Partial
Schools	3	2 Reasonable and 1 Partial

4.8 Internal Audit has also been involved in:

- completing work on 6 grant claims (having now audited 10 claims this year)
- providing support and advice on the implementation of the new ADAM system for commissioning homecare packages
- being the key contact and co-ordinator for the mandatory National Fraud Initiative (NFI) exercise.

#### **Draft Reports Issued to 31 October 2019**

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 7 audits which have been completed to draft report stage and the outcomes of these are summarised in the table below.

Directorate	Audit	Date of issue of draft report	Initial audit assurance level
Economy & Infrastructure	CNDR – Connect	June 2019	Partial
People	Follow up – Social work practice	August 2019	Reasonable
People	Deprivation of Liberty Safeguards	October 2019	Partial
People	Cumbria Futures Federation (2 schools)		
	Solway Community	October 2019	Reasonable
	Beacon Hill Community	October 2019	Reasonable
Economy & Infrastructure	Vacant properties – risk management arrangements	October 2019	Partial
People	Follow up - ICT Strategy	October 2019	Reasonable

### Progress on follow up audits as at 31 October 2019

- 4.11 We have completed 3 follow ups with a further 2 at draft report stage. These five follow ups show that 4 (80%) have improved assurance ratings and receiving a reasonable assurance rating. The other follow up remains at its original assurance rating of partial. There are a further fourteen follow ups in the plan for 2019/20 with ten of these current being underway.
- 4.12 The introduction of our new approach, where we only follow up high priority recommendations and a sample of medium priority recommendations, is helping to progress the follow up work. This approach provides a more balanced use of our limited audit resources, whilst at the same time allowing enough work to be undertaken to assess progress on implementing the recommendations, allowing us to provide up to ‘Reasonable’ assurance.

## **Status of internal audit work as at 31 October 2019**

4.13 The table below shows the internal audit reviews included in Internal Audit's revised work plan for 2019/20. Further details of these are set out at Appendix 2.

<b>Audit Status</b>	<b>No. of reviews</b>
Total reviews in original audit plan	55
Removed from plan – as agreed by Audit and Assurance Committee on 17 September 2019	(3)
Added to the plan – as agreed by Audit and Assurance Committee on 17 September 2019	5
Revised total reviews	<b>57</b>
Completed	12
Draft report issued	7
In progress	24
Not yet started	14

4.14 Other work such as grant claims; National Fraud Initiative; support for projects; summary findings reports (i.e. on schools) 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 2019/20 audit work plan originally included 55 reviews. There have been some changes to the 2019/20 audit plan outlined above and this has meant the revised audit plan now includes 57 reviews.

4.16 In relation to planned audit work, not all will be delivered before 31 March 2020 but this is as expected 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. At this stage in the year there are no risks identified to delivery of an audit opinion, but this will continue to be closely monitored.

## **Amendments to Approved 2019/20 Audit Plan**

- 4.17 As we have looked to progress various audits in the 2019/20 audit plan we have identified one audit where undertaking the review during 2019/20 would add little value due to a new complaints system being introduced by December 2019. With this in mind we will use some of our planned time in this area in a supportive roll whilst the system embeds and will undertake a full review of the complaints system in 2020/21.

**Richard McGahon, Group Audit Manager**

*November 2019*

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## **APPENDICES**

**Appendix 1: Summary of Final reports issued to 31 October 2019**

**Appendix 2: Progress on all risk based audits from the 2018/19 and 2019/20 audit plans**

**Appendix 3: Internal audit performance measures to 31 October 2019**

## **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?

	No*
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If so, give details below.

## **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 OCTOBER 2019

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
<b>REPORTS INCLUDED IN THE 2018/19 ANNUAL OPINION BUT FINALISED AFTER 31 MAY 2019</b>					
Direct Payments / Individual service funds	Partial	2	3	0	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
External funding	Reasonable	0	1	0	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Recording of drivers hours	Partial	2	0	1	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Monitoring of Standards in schools  (had been rolled forward and included in the 2019/20 audit plan but delivered earlier than expected and was included in 2018/19 opinion)	Reasonable	0	4	1	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Main accounting	Reasonable	0	7	0	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.



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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Performance Risk Management Framework (PRMF)  (had been rolled forward and included in the 2019/20 audit plan but delivered earlier than expected and was included in 2018/19 opinion)	Reasonable	0	7	3	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Business continuity planning	Reasonable	0	2	1	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Homecare commissioning	Partial	1	4	0	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Highways Information Management System (HIMS)	Reasonable	0	1	0	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Financial arrangements for learning disabilities	Partial	1	1	0	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
<b>PEOPLE DIRECTORATE</b>					
Focus Families Grant	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Follow up – Alston Moor Federation	Reasonable	0	1	2	The assurance level has improved from limited to reasonable as 7 out of 10 recommendations have been fully implemented. Further work is required on the other 3 recommendations.
Follow up – Social Worker Recruitment and Retention	Partial	1	3	1	<p>The assurance level has remained as partial, the same as the original report. The previous audit raised 7 recommendations of which 2 recommendations have been implemented, 2 have been partially implemented and 3 recommendations have not been actioned, 1 of which was a high priority.</p> <p>The outstanding high priority recommendation relates to a selection of objectives from the Children’s Workforce Development Strategy which had been converted into an Action Plan but this was not subject to regular, structured reporting at either the Workforce and Practice Board (WPB) or People DMT.</p>
Follow up – Hawkshead Esthwaite	Reasonable	0	9	2	The assurance level has improved from limited to reasonable. There were 20 recommendations in the original report with 4 recommendations fully implemented and a further 2 recommendations addressed by the school having relinquished its cheque book status. The other 11 recommendations have been partially completed and further action is needed to fully implement them.

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Gilford Centre PRU (E5, 60 pupils)	Reasonable	0	7	2	<p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> <li>• The School does not have a completed Declarations of Business Interests (DOBI) form for each member of the Management Committee and relevant Finance staff and completed DOBI forms for Governors are not published on the School’s website.</li> <li>• The Management Committee minutes do not include sufficient detail around decisions made in a number of key areas. Governors are not given the opportunity to declare any conflict of interest in agenda items at Management Committee meetings.</li> <li>• There are no documented guidance notes in place to describe financial systems and procedures.</li> <li>• The School does not have a Counter Fraud Policy.</li> <li>• VAT is not accounted for on meals sold to staff / visitors and an invoice was raised by the School which did not include VAT</li> <li>• Income is not banked on a regular and timely basis and there is no reconciliation between the receipt book and the bank paying in book. .</li> <li>• The School does not use the Cumbria County Council payment card for all relevant purchases and is not using a Purchase Order book when making purchases without the card.</li> </ul>

**APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 OCTOBER 2019**

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Ullswater Community College (Chequebook, 1,398 pupils)	Partial	2	7	4	<p>High priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> <li>The College’s Governors do not regularly receive budget monitoring reports and their review of the financial activity of the College is not evidenced in the Governing Board minutes. In particular there was no evidence of the Governors focus on the budget deficit.</li> <li>Cheque and electronic payments are not authorised by two signatories as required by the Cumbria Local Authority Scheme for Financing Schools and Pupil Referral Units (PRU’s).</li> </ul> <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> <li>There was no signed declaration of interest form for one of the Governors and those for the Head Teacher and Finance Team were dated 2016.</li> <li>The Governors minutes did not include sufficient detail relating to what was discussed and what decisions were made in a number of key areas.</li> <li>The Financial Procedures Manual does not include all of the relevant operational financial processes.</li> <li>The College fund accounts are not presented to the Governing Body annually for information.</li> </ul>

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Ullswater Community College (Cont'd)	Partial				<p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> <li>• A Counter Fraud policy and a Whistleblowing policy have been prepared, but there is no evidence of approval of either of these within the Governing Body minutes provided. There is no information on how they should be communicated to Staff, Parents and Guardians.</li> <li>• Debt write off is not included in the Policy for Financial Delegation. Debts written off are not reported to the Governing Body or reviewed and/or approved by the Finance &amp; Resources Committee.</li> <li>• There is no inventory of equipment held by the College as required by the Financial Regulations 5.4.3 and no regular checking of the existence of any items of equipment.</li> </ul>
Norman Street School (Chequebook, 352 pupils)	Reasonable	1	8	4	<p>One high priority recommendation was made in respect of no documented procedures to set out the operational financial administration tasks currently undertaken.</p> <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> <li>• Current governor declarations of business interest were not available for examination and the declarations on the website were dated 2016/17. Many staff declarations did not have the name of the staff member printed on the form and signatures were unreadable, making it difficult to confirm that all were in place.</li> </ul>

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Norman Street School (Cont'd)	Reasonable				<p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> <li>• Terms of reference for the finance and resources committee had not been approved.</li> <li>• Minutes of the Governors meetings did not contain sufficient detail to determine what information they had been provided with and there were few references to the school's budget position.</li> <li>• The Policy for Financial Delegation was in need of review and approval by the Governing Body.</li> <li>• There was no counter fraud policy in place and there was no evidence provided that the Whistleblowing Policy had been approved or communicated.</li> <li>• The latest audited school fund statement of accounts related to the year ending 31st March 2017 and accounts have not been provided to Governors.</li> <li>• The school's income recording procedures are not fully developed and there is no formal process defined for the review, follow up and write-off of outstanding debt.</li> <li>• Breakfast and after School club charges have not been reviewed since 2017 and there is no regular reporting of their financial performance to management or Governors.</li> </ul>

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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
<b>CORPORATE CUSTOMER AND COMMUNITY SERVICES DIRECTORATE</b>					
Cyber security	Reasonable	1	2	3	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
GDPR implementation Phase 1	Substantial	0	0	1	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
<b>ECONOMY AND INFRASTRUCTURE DIRECTORATE</b>					
Northern Cultural Regeneration Fund (NCRF) Grant	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Growth Hub Grant 2018/19	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
Bransty Junction - Grant	N/A	N/A	N/A	N/A	Required declaration signed by the Chief Executive and Group Audit Manager on 25 September 2019.
Bus Service Operators Grant (BSOG)	N/A	N/A	N/A	N/A	Required declaration signed by the Chief Executive and Group Audit Manager on 25 September 2019.

## APPENDIX 1 – SUMMARY OF OUTCOMES OF FINAL AUDIT REPORTS ISSUED TO 31 OCTOBER 2019

Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Planned Maintenance	Partial	1	4	3	<p>One high priority recommendation was made in respect of no documented procedures or guidance setting out management's requirements for planned maintenance. Decisions were not always clearly recorded and evidence retained.</p> <p>Medium priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> <li>• There was no formal, documented approval of the prioritised capital maintenance programmes.</li> <li>• Some tender award approval certificates were not authorised in line with the scheme of delegation and / or were not fully completed.</li> <li>• The Council occasionally undertakes maintenance work at schools which is the responsibility of the individual school. The cost of these jobs is not recharged to the schools and this is not specifically monitored or reported.</li> </ul>
Local Transport Capital Funding 2018/19 Grant	N/A	N/A	N/A	N/A	Required declaration signed by the Chief Executive and Group Audit Manager on 26 September 2019.
Local Transport Capital Funding BLOCK 2018/19 Grant	N/A	N/A	N/A	N/A	Required declaration signed by the Chief Executive and Group Audit Manager on 26 September 2019.



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Audit Review	Assurance Level	Recommendation Priority			Summary of key outcomes and recommendations
		High	Medium	Advisory	
Regional Growth Fund Grant	N/A	N/A	N/A	N/A	Work undertaken by Internal Audit to provide the required assurance to the Director of Finance (s151 Officer) so that they could sign off the Regional Growth Funds (Rounds 3 and 4). Required assurance provided to MHCLG by the Director of Finance (s151 officer) on 1 October 2019.
Better Care Fund – Disabled Facilities Grant (DSG)	N/A	N/A	N/A	N/A	Required declaration signed by the Group Audit Manager on 30 October 2019.
<b>CUMBRIA FIRE AND RESCUE SERVICE</b>					
Review of preparations for HMICFRS inspection	N/A	N/A	N/A	N/A	Details previously reported to the Audit and Assurance Committee meeting on 17 September 2019.
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 2019.
<b>FINANCE DIRECTORATE</b>					
No reviews for 2019/20 undertaken to date.					

## APPENDIX 2 – PROGRESS ON AUDIT WORK 2019/20

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
<b>COMPLETION OF WORK IN PROGRESS FROM PREVIOUS YEAR PLANS</b>		<b>145</b>		
People	Monitoring of Standards in schools		Completed	Reasonable (included in 2018/19 opinion)
People	Deprivation of Liberty safeguards		Draft report issued	
Corporate	General Data Protection Regulations (GDPR) implementation Phase 1		Completed	Substantial
Corporate Customer & Community Services	Cyber Security		Completed	Reasonable
Finance	Performance and Risk Management Framework		Completed	Reasonable (included in 2018/19 opinion)
People	Allocation of personal budgets		Fieldwork – report being drafted	
Economy and Infrastructure	Planned maintenance		Completed	Partial
Economy and Infrastructure	CNDR - Connect		Draft report issued	
Economy and Infrastructure	Highways operational delivery		Not yet started	
Follow up – B/fwd	Follow up – Section 38		Fieldwork	
Follow up – B/fwd	Follow up – ICT service continuity		Management update received but agreed to defer	

## APPENDIX 2 – PROGRESS ON AUDIT WORK 2019/20

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
			as work ongoing on the high priority recommendation area.	
Follow up – B/fwd	Follow up – ICT Strategy		Draft report issued	
Follow up – B/fwd	Follow up – Highways Area Offices		Fieldwork	
Follow up – B/fwd	Follow up – Social work practice		Draft report issued	
Follow up – B/fwd	Follow up – Health & Safety		Fieldwork	
Follow up – B/fwd	Follow up – Care Act implementation		Management Update Statement received.	
Corporate	Review of risk management arrangements	20	Not yet started	
Corporate	Review of corporate performance information arrangements	20	Not yet started	
Corporate	Contract management arrangements	20	Not yet started	
Corporate / cross cutting	Transformation programme	25	Not yet started	
Corporate / cross cutting	Decision making within the Council	20	Fieldwork	
Corporate / cross cutting	Complaints	15	Not yet started – new system being introduced December 2019 so full audit review will be deferred to Q2 2020/21 with any audit work in 2019/20 will be of an advisory / supportive nature.	

## APPENDIX 2 – PROGRESS ON AUDIT WORK 2019/20

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
Corporate Counter-fraud	Review of Counter-Fraud Strategy and associated activity	20	Fieldwork	
People	Adoption services	20	Attended the Regional Adoption Agency (RAA) Working Group as required.	
People	Safeguarding adults	25	Fieldwork	
People	Reablement / Homecare / Delayed transfer of care action plans	40	Meeting held in October 2019 to start discussion on scope of review.	
People	Emergency Duty Team (EDT)	20	Removed from the plan – now likely that our proposed review of new arrangements in Q4 of 2019/20 will be too early so agreed to defer audit until 2020/21.	
People	Safeguarding children	25	Removed from the plan – LGA Peer Review reported back in April 2019 on its work on governance and structure of Cumbria LSCB in preparation for new safeguarding arrangements to be implemented by 29 September 2019.	
People	Learning Disabilities Pooled Fund	20	Not yet started	

## APPENDIX 2 – PROGRESS ON AUDIT WORK 2019/20

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
People	Integration and Partnership – CQC action plan	10	Fieldwork	
People	Review of preparation for SEND inspection	10	Removed from the plan – the SEND inspection was called for March 2019 and therefore given the timing of this we were not able to undertake the proposed work	
People (Schools)	<b>See details below</b>	<b>60</b>		
People (Schools)	Ullswater Community College		Completed	Partial
People (Schools)	Gillford Centre PRU		Completed	Reasonable
People (Schools)	Solway, Silloth		Draft report issued	
People (Schools)	Beacon Hill		Draft report issued	
People (Schools)	Norman Street, Carlisle		Completed	Reasonable
Corporate Customer & Community Services	Workforce Plan implementation	20	Fieldwork	
Cumbria Fire & Rescue Service	Sharing of risk information – internally, multi-agency and cross-border	25	Not yet started	
Cumbria Fire & Rescue Service	Review of preparation for Her Majesty's Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS) inspection (Consultancy)	15	Completed	

## APPENDIX 2 – PROGRESS ON AUDIT WORK 2019/20

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
Economy & Infrastructure	LEP Funding	20	Not yet started	
Economy & Infrastructure	SEND transport – in-house provision	25	Fieldwork – findings meeting held and report being drafted.	
Economy & Infrastructure	Vacant properties – risk management arrangements	25	Draft report issued	
Economy & Infrastructure	Developer contributions (was section 106 contributions)	15	Fieldwork	
Economy & Infrastructure	Vehicle utilisation (Consultancy)	25	Not yet started	
Financial System audit	Treasury management (compliance audit)	15	Not yet started	
Financial System audit	Pensions (compliance audit)	20	Not yet started	
Financial System audit	Accounts receivable (compliance audit)	15	Not yet started	
Financial System audit	Controcc (compliance audit)	15	Fieldwork	
<b>Follow up Audits</b>	<b>Follow up provision (see below)</b>	<b>85</b>		
Follow up	Follow up – Digital transition		Fieldwork	
Follow up	Follow up - Employee expenses		Fieldwork	
Follow up	Follow up – Quality assurance over care provision		Fieldwork	
Follow up	Follow up – Children with complex needs		Fieldwork	
Follow up	Follow up – Social worker recruitment and retention		Completed	Partial

## APPENDIX 2 – PROGRESS ON AUDIT WORK 2019/20

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
Follow up	Follow up - ICT Projects		Management Update Statement requested	
Follow up	Follow up – Blue Badge Fraud		Fieldwork	
Follow up	Follow up - Ethical Policies		Not yet started	
Follow up	Follow up – Statutory compliance		Fieldwork	
Follow up	Follow up – Schools – Hawkshead Esthwaite		Completed	Reasonable
Follow up	Follow up – Schools – Alston Moor Federation		Completed	Reasonable
Follow up	Follow up – Schools – John Ruskin		Fieldwork	
<b>Grants</b>				
People	Focus Families grant claims	15	Completed - Internal Audit attending PBR meetings and undertake a 10% sample check on files to support the claim.	
	<b>Other Grant Claims – See below (Allocation for all claims received in year)</b>	<b>30</b>		
	Police and Crime Panel Grant		Completed	
	Northern Cultural Regeneration Fund (NCRF) Grant		Completed – this work relates to Cumbria LEP where Cumbria CC is the accountable body.	

## APPENDIX 2 – PROGRESS ON AUDIT WORK 2019/20

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
	Growth Hub Grant		Completed – this work relates to Cumbria LEP where Cumbria CC is the accountable body.	
	Cumbria Growth Deal Grant		Not yet started	
	Bus Service Operators Grant (BSOG)		Completed	
	Local Transport Capital Funding Grant		Completed	
	Local Transport Capital Funding BLOCK Grant		Completed	
	Bransty Junction Grant		Completed	
	Regional Growth Fund		Completed	
	Better Care Fund – Disabled Facilities Grant (DFG)		Completed	
Corporate	National Fraud Initiative	50	2018/19 exercise in 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.	35	As required.	
	Summary report consolidating findings from all school reviews in 2018/19.		Report issued May 2019 for the year to 31 March 2019 and presented to Schools Forum on 20 June 2019.	



**APPENDIX 2 – PROGRESS ON AUDIT WORK 2019/20**

Directorate / Audit type	Audit	Planned days	Stage	Assurance level
			Circulated to all schools via the Schools Portal on 18 July 2019.	
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 assurance mapping, approaches to fraud and governance.		15		
Management, planning, supervision		170		
Internal audit service development		40		
<b>TOTAL DAYS AS PER AGREED PLAN</b>		<b>1,190</b>		

### 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	31% (based on 2018/19 YTD actual)	33%	19 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%	63%	
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%	86%	
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%	73%	
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%	83%	Based on 5 questionnaires returned YTD.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	77%	Q2 data.