



Internal Audit Progress Report

“Providing assurance on the management of risks”

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This report summarises the results of all audit work since the previous report to the Committee in December 2016.

Summary of completed assurance work

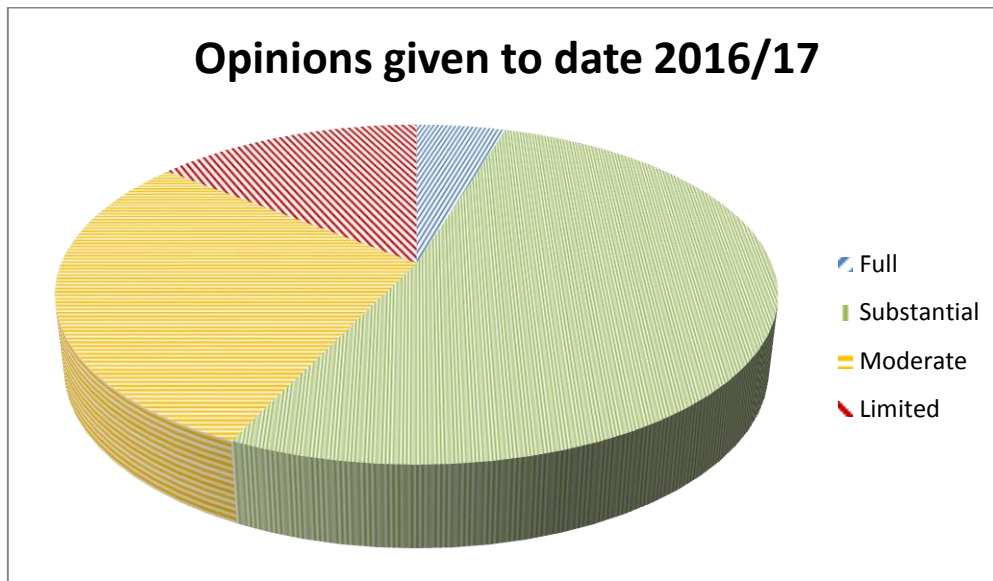
The key outcome of each audit is an overall opinion on the level of assurance provided by the controls within the area audited. Audits will be given one of four levels depending on the strength of controls and the operation of those controls. The four categories ranging from the lowest to highest are Limited, Moderate, Substantial and Full. The opinion reflects both the design of the control environment and the operation of controls.

Table 1 summarises the results of the assurance work completed during the period since the December report to Committee showing the opinion given.

Table 1: Summary of completed audits.

Audit		Level of Assurance
1	Adults - Care plan reviewing process	Substantial
2	Adults Commissioning and placement process	Substantial
3	Treasury Management	Substantial
4	Section 106 Agreements	Moderate
5	Transport Infrastructure Funding	Moderate
6	School Visits - St James	Moderate
7	Schools Themed Audits	Substantial
8	School Visits - Fort Royal	Limited
9	School Visits - Belbroughton	Substantial
10	School Visits – The Forge PRU	Moderate
11	IT - Infrastructure	Limited
12	IT – Access Controls	Limited
13	Pension Investment Management	Substantial
14	Financial & Commercial Management Skills	Substantial
15	Improvement & Efficiency West Midlands (IEWM)	Substantial
16	Connecting Families	Moderate

The proportion of audits completed to date in 2016/17 given each level of opinion is illustrated in the following chart:



The following audits are nearing completion with draft reports issued and management comments awaited:

- Adults Case File Recording
- Economic Development
- Malvern Link & Foregate Street Station contract
- Bromsgrove Rail
- IT Commissioning
- Compliance with Care Quality Commission Home Closure Guidance
- Edge of Care
- Permits/Access to Highway

The follow up audit of Use of Consultants is approaching completion and at this stage it is anticipated that the opinion will not be limited.

There are three limited opinion audits which have been considered by Senior Leadership Team and a summary of these is included at the exempt Appendix 2.

Recommendations are categorised according to the risks they are intended to mitigate. Categorising recommendations also assists managers in prioritising improvement actions. The current categories used, in increasing order of importance, are: Merits Attention, Significant and Fundamental. Each audit report includes an action plan which includes target dates for implementing the agreed recommendations. Managers are accountable for implementing these action plans.

Summary of changes to 2016/17 plan

The following audits have been agreed with the Chief Financial Officer for deletion or deferral from the 2016/17 plan.

- Deprivation of Liberty Standards
- Evesham Abbey Bridge
- Liberata Contract Management
- Performance Management
- Pinch point funding (Grant certification not required)

Summary of non-assurance work

Counter Fraud

There have been no new investigations arising since the last report to Committee. The Council referred an allegation of a Company fraudulently claiming grant funding from the Council to the Police earlier in the year. This case has been deemed by the Crown Prosecution Service as having insufficient evidence to prosecute and this decision is currently being appealed.

Internal Audit continues to act as the lead co-coordinator for the National Fraud Initiative (NFI), all data was successfully uploaded by the required deadline. The data matching results have been received and allocated to individual officers for investigation.

Certification

The period saw one grant claim in respect of Stronger Families requiring review prior to certification; this was satisfactorily audited by the required deadline.

Advice

Internal audit is most efficient when its advice is utilised to ensure that appropriate controls are incorporated at an early stage in the planning of policy or systems development. This work reduces the issues that will be raised in future audits and contributes to a stronger control environment. During the period the service has provided an input to various corporate projects and this work is consistently welcomed by managers.

Internal Audit has continued to provide a range of advice since the last report to the committee including:

- Liberata – advice regarding transactional HR/ Finance transformation.
- E-Market Place (Your Life Your Choice) - advice has been focused around the development of the system to include Children's Services including attendance at Board meetings.
- Economy and Infrastructure – advisory input into development of project operating model.
- Attendance at the Corporate Information Governance Group and the Corporate Risk Management Group.

- Transport contracts – advice regarding the changes to procurement process.
- Pre-paid cards – Advice regarding extending the use of pre – paid cards.
- Hive Imprest account.
- Councillors' Divisional Fund advice regarding accounting arrangements.
- Libraries – advice regarding production and implementation of cash handling procedures.

Reports for Publication

The following final reports will be published following consideration by the Chief Financial Officer of whether they would require redaction prior to publishing. It should be noted that to date only Internal Audit reports where an opinion has been given have been published.

- Adults - Care Plan Review
- Adults Commissioning and placement process
- Treasury Management
- Section 106 Agreements
- Transport Infrastructure Funding
- School Visits - St James
- Schools Themed Audits
- School Visits - Fort Royal
- School Visits - Belbroughton
- School Visits – The Forge PRU
- IT - Infrastructure
- IT – Access Controls
- Pension Investment Management
- Financial & Commercial Management Skills
- Improvement & Efficiency West Midlands (IEWM)
- Connecting Families

Published reports can be accessed by the following link:

http://www.worcestershire.gov.uk/info/20003/council_democracy_and_councillor_information/1076/internal_audit