

Audits providing assurance in 2019/20				
Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Status	Comments
Worcestershire Children First – cut over testing	Financial and management information transferred may not be complete and / or accurate	Advisory work pre-transfer Transfer testing to ensure correct balances Post go live lessons learned exercise (2020/21)	Complete	Substantial assurance
Appointees and Deputies	The systems within the Appointee and Deputies function are operating efficiently and effectively and that processes set out by the Court of Protection and the Department of Work and Pensions are followed.	Policies and procedures Compliance with DWP Appointee responsibilities, Court of Protection regulations and OPG Deputy Standards Management of client's finances Monitoring of client accounts Security of cash/property held on behalf of client's Management information	Complete	Substantial assurance
Confidential waste destruction	Confidential or sensitive information is made available inappropriately. GDPR are contravened.	Review of arrangements for destruction of confidential waste and assurance around compliance with the regulations	Complete	Substantial assurance
Corporate project management	Inconsistent application of agreed methodology and regulatory framework. Project governance arrangements are not clearly defined and consistently applied. Staff do not have the appropriate skills or training	Assurance that corporate guidance is complied with across Directorates and that projects are properly managed with appropriate governance and oversight.	Complete	Substantial assurance
HR strategy/policy development and compliance Key focus on sickness and performance management	Inconsistency of practice across directorates, e.g. managing attendance, conduct and performance, recruitment	Compliance with HR policies	Complete	Substantial assurance

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Councillors Divisional Funds	Council money to help local initiatives and support 'good works' which play an important role in promoting the economic, social and environmental well-being of communities within Worcestershire. Locally determined initiatives within their Divisions. Lawful for the Council, rational and are properly recorded.	There are appropriate policies in place, setting out the parameters within which Divisional Funds can be used which are designed to protect individual Councillors and the reputation of the Council. Bids for the use of Divisional Funds are properly assessed and authorised and there is a sound, documented rationale as to how funds used will benefit local communities. There is appropriate supporting documentation and an audit trail in place in respect of expenditure transactions which evidences that funds have been used for their intended purpose. There are sound processes in place to facilitate the monitoring of individual councillors' allocations.	Complete	Substantial assurance
Implementation of Liquid Logic, replacing Framework-i.	Errors and/or omissions in data exported. Links with other systems do not operate effectively. System users are not sufficiently trained in the use of the system. Insufficient testing before system goes live. No case management system available impacting business as usual. Cost of backfilling arrangements resulting in	With the project team, the first line of defence should be working, therefore the audit will aim to provide assurance that there are robust plans in place covering the implementation of the new social care case management system including the arrangements for reporting to management and procedures for ensuring lessons learned from previous system	Complete	Substantial assurance

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	budget overspend. Reputational damage is project is not implemented successfully.	implementations are considered. For the IT aspect this will be in partnership with WIASS on the IT audit		
Winter Service	Worcestershire County Council is responsible for providing a winter service on adopted public highways within the County except for motorways and trunk roads. The purpose of the winter service is to reduce the effects of snow and ice on the roads by treating the highway with salt. The service is essential for public safety and to the national and local economy in maintaining ice free roads.	The arrangements for the Council to ensure the highway is not endangered by snow or ice in accordance with its statutory responsibilities Budget management, including the controls around additional staff payments The arrangements in place to ensure value for money is obtained from the award of contracts to suppliers Plant, equipment and materials are used as efficiently as possible The controls in place to manage the processes associated with the payment of suppliers	Complete	Substantial assurance
Legacy Systems	Risk that personal/sensitive data is accidentally disclosed because staff or commissioned providers do not process information securely resulting in a breach of the Data Protection Act and enforcement action by the Information Commissioner Officer.	Strategy in place. Understanding of current position. Advisory and stress check. Check and challenge including 'Health Check'. Compliance with Corporate policy. Compliance to statutory requirements.	Complete	Moderate assurance

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Inventory	Inefficient and ineffective use of organisation assets leading to wasted resource.	Strategy in place. Understanding of behaviours, cultures and subcultures presenting. Monitoring and reallocation to maximise resource usage. Advisory and stress check. Sample test leavers. Trace allocated equipment whereabouts. Compliance with corporate policy. Evaluation of potential loss.	Complete	Moderate assurance
Procurement cards: care leavers	Inappropriate/fraudulent purchases are made. Purchases are not reviewed and/or approved. Control/use of budgets is impaired. Procurement processes are bypassed and value for money is not obtained.	To review the operation of controls, ensuring the risk of fraud, errors or misuse of cards is managed effectively.	Complete	Moderate assurance
Information Governance	Legislative/regulatory breaches that could result in increased risk of penalties for non-compliance or reputational damage	Review of the governance of GDPR and whether compliance with its requirements has been achieved.	Complete	Moderate assurance
Long term placements – consultants and agency staff	The appointment of consultants is not properly managed and	Review of the authority's use of consultants including management oversight of the appointment of consultants.	Complete	Limited assurance

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	controlled. The procurement code is not adhered to.	Focus on long term placements – clarity of purpose, ongoing management, exit plan for end of placement		
Governor support and training: Thematic review	Governing Bodies have insufficient finance training. Budgets are not managed effectively. Insufficient challenge over financial decisions. A lack of accountability for budget related decisions.	A sample of schools to be visited to review arrangements designed to support governing bodies in providing effective financial management. Common issues and recommendations to be communicated to all schools.	Complete	Limited assurance
Adult and Community Learning budget management review	The Adult Community Learning Service reported a significant overspend at the end of the 2018/19 financial year. The audit was carried out following a request from the Adult Learning Service for a review of the services finances.	The aim of the audit was to give assurance that appropriate controls and processes are in place to identify and prevent any future overspent. The review focused on the processes and costs relating to Community Learning Tutors.	Complete	Limited assurance
Business Continuity	There is a risk that the Council will not be able to respond effectively to an incident affecting its premises because a robust business continuity plan involving Place Partnership has not been agreed, with the result	Corporate policy in place. Directorate assurance piece of work. Compliance and lessons learnt/applied. Advisory and stress check.	Complete	Limited assurance

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	<p>that there is a significant interruption to services</p> <p>There is a risk that critical services are seriously affected by a major incident or other issue because of a failure in business continuity arrangements, which could result in the interruption of these services.</p> <p>There is a risk that as a result of not checking the business continuity plans of commissioned services that these plans will not be adequate and that there will be failure of the service</p>			
Individual school audits planned, inspection and investigations Limited assurance follow-up audits	Delegated budgets are not managed effectively. Inappropriate/ fraudulent use of resources. Value for money is not obtained from the award of contracts. Income due is not collected in full. School private fund accounts not subject to appropriate controls and	A sample of schools to be visited as individual reviews of the effectiveness of the governance and financial management arrangements. The reviews will provide assurance to both Governing Bodies and the Council including compliance with the Schools' Financial Value Statement (SFVS).	Complete	Finstall First – Substantial assurance Overbury First School – Substantial assurance Blakedown Primary – Moderate assurance Offmore Primary – Moderate assurance Wolverley High School – Moderate assurance

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	independent audit review. School assets are not recorded, managed & monitored effectively.			North Bromsgrove High School – Moderate assurance School X – Limited assurance

Audits in progress or deferred to be completed in 2020/21				
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System Administration	There is a risk that, as a result of the high number of external users with non-expiring Active Directory passwords, that a password is compromised and malicious access to the Council's systems is achieved, resulting in data loss and / or system damage. This is currently necessary as, users who only access the Council's services remotely, currently have no mechanism of changing their password when it expires resulting in loss of access, the risk of which is deemed much greater than the risk posed by this threat.	Strategy in place. Deployment and adherence to corporate policy? Advisory and stress check. IT deploying a logical approach and how applied? Sample test systems. Sample test user profiling, access and management for appropriateness.	In progress	Open at year-end. Defer completion to 2020/21
Early Help and Commissioning	Ineffective governance arrangements.	Assurance on governance of improvement plans and effectiveness of key performance measures/performance management regime.	In progress	Monitor current service improvements following management changes Completion in 2020/21
Pension financial controls	Poor value for money and / or fraudulent activity. Qualification of the Statement of Accounts.	To carry out testing of the financial controls and processes surrounding pension records and liabilities.	In progress	High level review for WCC pensions administration as minimal change to process Completion in 2020/21
Payroll & HR function	Fraudulent/inaccurate payments are made. Payments are not made in a timely manner. Inaccurate or unauthorised processing of changes to standing data. Failure to process transactions promptly. Over or	The scope of the audit will include the procedures in place for starters, leavers and variations to the payroll, payroll validation, warning and error reporting, recording of transactions in the main financial system and the payment of	Deferred	2018/19 audit report issued during 2019/20, following operational delays - moderate assurance. Full audit deferred to 2020/21

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	under payments. Ineffective reconciliation processes. Payments of deductions to third parties are not processed correctly and promptly. Qualification of the Statement of Accounts	deductions to third parties. Controls operated by Liberata will not be covered.		
Section 75 Agreements	Previously identified control weaknesses.	Internal Audit are required to follow up reviews conducted in 2018/19 where a "limited assurance" has been given to ensure management actions implemented and improvements made.	Deferred	Service review underway. Advisory work post agreement changes in 2020/21
Direct Payments	Previously identified control weaknesses, which have been acknowledged by management, have not been addressed.	Follow up of previous limited opinion report. The audit will review the processes within Adults Services to assess compliance with policies and procedures and the arrangements for the monitoring and review of Direct Payment activity.	Deferred	To 2020/21 Work in the directorate to improve the process to be given time to be implemented.
Place Partnership contract management arrangements	Ongoing maintenance of the aging property estate	Review of contract management arrangements	Deferred	To 2020/21 Advisory to support exit arrangements
Passenger Transport Review	Poor management information leads to flawed decision making	Advisory work around the consultation	Deferred	To 2020/21 Operational review of financial management and decision making

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Travel and Subsistence: Officers & Councillors	Inappropriate/fraudulent claims are made. Journeys are made which are not justified and agreed in advance. Claims are not approved/reviewed by management. Incorrect mileage and/or subsistence rates are paid.	A review of a sample number of travel and subsistence claims to confirm compliance with the policy to include the accuracy of information, reasonableness of mileage claimed and supporting receipts.	Deferred	Terms of reference agreed. Full audit delayed to 2020/21 whilst changes to scheme considered (total reward proposals)
Pensions Investment	Ineffective governance arrangements. Partner Funds cannot place reliance on the Company's systems and controls. An approved annual budget is not in place or has been exceeded therefore requiring partners to add additional contributions. Investments do not adhere to responsible investment principles.	The audit will aim to provide assurance on the management of the risks associated with the investments of the Worcestershire Pension Fund and the transfer of funds to LGPS Central Ltd.	Deferred	To 2020/21 Pooled funds are assured through the LGPS Central audit group
ACS Establishments	Amounts due are not collected, recorded and banked intact. Lack of separation of duties within the income collection process. Petty cash imprest account is not properly controlled and managed. Misuse or misappropriation of service user monies.	Provide assurance on the arrangements in place within Adult Social Care establishments covering the handling of cash including both County Council funds and monies held on behalf of service users.	Deferred	To 2020/21 Low risk area.

Audits removed				
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Accounts payable	Erroneous and/or inappropriate payments. Qualification of the Statement of Accounts	Review of key financial system to provide assurance on effectiveness of controls and management of risks remaining with the Council. The work will assess responses to previous audit coverage and any changes to the control environment. This will provide assurance to management in the production of the accounts and fiduciary duty around payment.	Removed	Key finance systems to be evaluated as part of financial management control framework. This will enable higher level assurance.
Accounts receivable	Unauthorised, inappropriate or untimely amendments are made to customer master file. Amounts due are not collected or are reduced inappropriately. Qualification of the Statement of Accounts	Review of key financial system to provide assurance on effectiveness of controls and management of risks remaining with the Council. The work will assess responses to previous audit coverage and any changes to the control environment. This will provide assurance to management in the production of the accounts and fiduciary duty around income	Removed	Key finance systems to be evaluated as part of financial management control framework. This will enable higher level assurance.
Bank reconciliation	Inaccurate bank reconciliations preventing prompt recognition of fraudulent or erroneous entries. Qualification of the Statement of Accounts	The audit will provide assurance on the adequacy of the overall arrangements in place regarding the bank reconciliation process for accounts operated by the Council.	Removed	Key finance systems to be evaluated as part of financial management control framework. This will enable higher level assurance.

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General ledger	Inadequate reconciliation of control and suspense accounts. Chart of Accounts is not properly controlled and managed. Inaccurate or inappropriate use of journal entries. Lack of appropriate reporting arrangements Qualification of the Statement of Accounts	Review of general ledger processes and procedures to ensure they are operating efficiently and effectively.	Removed	Key finance systems to be evaluated as part of financial management control framework. This will enable higher level assurance.
Financial Assessments	Income is not maximised. Assessments are not conducted correctly. Minimum Income Guarantee (MIG) is not applied appropriately. Charges are not properly applied with appropriate evidence to support the outcome. Not all assets/income are included in assessments.	To review financial assessments process, ensuring assessments are conducted consistently and all information is considered and verified.	Removed	Assurance review in 2017/18.
Care Quality Commission	Safeguarding risks and reputational damage arising from inadequate rating	Assurance review focusing on preparations for CQC review including pre-checks and data quality	Removed	Current CQC inspections rated as Good. Work with service to agree support process
Banking activities	The contract process could be challenged, or weaken controls	Advisory work around the bank tender	Removed	Banking tender no longer being undertaken

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Business Rates Pool	Ineffective governance arrangements. The respective roles and responsibilities of each part are not clear or discharged effectively.	Review of governance arrangements in place and operating around the award from the pool and monitoring of the balance.	Removed	Arrangements assessed externally. Pool ended in 2019/20
Placements in residential care (Out of County)	Procurement processes are ineffective and value for money is not obtained from placements. Service users' needs are not met. Placements continue after they are no longer required.	A review of the arrangements in place in respect of out of county residential care placements. The audit will concentrate on procurement of placements and ongoing reviews which ensure placements continue to be appropriate.	Removed	
Staff recruitment/retention	Risk that processes conflict with recruitment/retention objectives	Advisory input to project for staff recruitment/retention processes	Removed	Recruitment and retention levels have shown significant improvement
Transformational Change Plan	The Council's redesign programme is insufficiently resourced or led, resulting in non-delivery of savings or qualitative change.	Advisory work to assist the directorate production of the Transformational Change Plan	Removed	Organisational redesign impact on current plans
Waste Contract	Lack of appropriate contract payment mechanisms. Regular contract performance monitoring does not take place.	Assurance on the overall arrangements for managing waste especially the contract with Mercia.	Removed	Operational contract management review underway

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Transformation & savings plans	Savings plans are unrealistic. Ineffective monitoring/reporting of progress against savings targets. Savings plans are not delivered. Statutory services are not delivered.	Governance of the savings programme. Process for identifying and costing existing savings proposals. Monitoring of delivery of savings plans.	Removed	Organisational redesign impact on current plans
Corporate procurement	Poor approaches and operational practice give rise to increased costs, or lost saving opportunity.	Advisory work around strengthening corporate approach to procurement and capital. Assessment of existing contract management arrangements to identify lessons to be learnt to feed into retendering exercise. Existence, adequacy and monitoring of performance indicators. Payments are only made in accordance with contractual provisions. Appropriate action is taken to address poor performance.	Removed	Organisational redesign impact on current plans
Disaster Recovery & Business Continuity	Robust business continuity plans are not in place. Key information/data is lost. Business continuity procedures have not been tested and do not work.	Assurance on recovery time objectives for key systems and services. For the IT aspect this will be in partnership with WIASS on the IT audit	Removed	Covered as part of wider business continuity audit – links WCC audit and WIASS audit. Disaster recovery follow up of 2018 audit to be undertaken in 2020/21 as part of IT control framework

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Collaborative Planning (budget monitoring tool)	Inaccurate budget data is produced leading to poor budget monitoring and increased risk of overspend affecting the Council's financial standing.	Assurance to management on the progress of improvements in budget management using Collaborative Planning, preparation of budgets and forecasts, training and support to managers, interface between Collaborative planning, E5 and other systems.	Removed	Level of roll out and use to be considered before scoping can be carried out
Disaster Recovery & Business Continuity	Robust business continuity plans are not in place. Key information/data is lost. Business continuity procedures have not been tested and do not work.	Assurance on recovery time objectives for key systems and services. For the IT aspect this will be in partnership with WIASS on the IT audit	Removed	Covered as part of wider business continuity audit – links WCC audit and WIASS audit. Disaster recovery follow up of 2018 audit to be undertaken in 2020/21 as part of IT control framework
Agency staffing	Contravention of HMRC IR35 requirements. Agency staff used where it is inappropriate to do so. Agency arrangements do not provide value for money.	Review of the authority's use of agency staff including management oversight of the use of agency staff across the authority, the arrangements for procuring agency staff, use of the Matrix contract and compliance with HMRC IR35 requirement.	Removed	Considered as part of uses of consultants' audit (Limited assurance) Focus on long term placements – clarity of purpose, ongoing management, exit plan for end of placement
Risk Management	The Authority does not comply with risk management standards and best practice. Risks are not appropriately managed.	Adequacy of risk management policy and procedures including role and responsibilities and training and support available to managers. The identification,	Removed	Organisational redesign and process revision. Possibly advisory in 2020/21

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		assessment and monitoring of risk, its reduction and controls. The governance and oversight of risk management and the linkage to operational issues and the relevant Annual Governance Statement.		
School Procurement: Thematic review	The award of contracts is not approved in accordance with the School's requirements. Value for money is not obtained from the award of contracts. Schools are unable to defend a challenge over a procurement process. EU and other statutory requirements are not adhered to leading to financial penalties being imposed against the Council/school. Goods and/or services delivered do not meet the School's requirements. Extensions and/or variations are agreed inappropriately.	Sample of schools to be visited to review effectiveness of procurement arrangements. Common issues and recommendations to be communicated to all schools.	Removed	Following discussion with the Schools Finance Manager we will be auditing school staff contract arrangements, including additional payments and hours increases as these are one of the key drivers of school overspends.
Worcestershire LEP - Assurance Framework	Inadequate governance and controls result in funding clawback and reputational damage	The WLEP is actively engaged in responding to the changes in "Strengthening Local Enterprise Partnerships" issued in July 2018 and will need to continue to adapt the framework as decisions on the application of the revised policy are agreed. Assurance work on the resulting changes in structure and governance	Removed	