

SUBJECT:	Internal Audit: Progress Report
MEETING:	Audit Committee
DATE OF MEETING:	13 February 2014
REPORT OF:	Chief Internal Auditor
REPORT DATE:	6 January 2014

1 Opinion definitions

Opinion	Framework of governance, risk management and management control
Substantial assurance	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate Assurance	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited assurance	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No assurance	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

2 Status of 'live' reports:

Audit title	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)			
			Original	Current	Reported	Cleared	Pending	Overdue
Business Continuity & Emergency Planning	21.05.12	CR	Adequate	Adequate	28(3)	25(2)	0(0)	3(1)
Home to school transport	18.09.12	CS/ETE	Adequate	Adequate	3(2)	1(1)	0(0)	2(1)
Procurement	02.11.12	CCBS	Limited	Adequate	4(2)	3(2)	0(0)	1(0)
IT governance	12.11.12	CR	Adequate	Adequate	5(2)	4(2)	1(0)	0(0)
Contract management – Manpower	23.11.12	CCBS	Limited	Adequate	10(8)	8(6)	0(0)	2(2)
Equality impact assessment	07.02.13	CEX	Limited	Limited	11(6)	3(0)	0(0)	8(6)
Fraud thematic review – petty cash	08.02.13	CR	Adequate	Adequate	3(2)	0(0)	0(0)	3(2)
Developer contributions	11.02.13	ETE	Adequate	Adequate	4(3)	3(2)	0(0)	1(1)
Friends and family care	28.02.13	CS	Limited	Adequate	9(5)	6(5)	3(0)	0(0)
Integrated community equipment store and technicians service	10.05.13	AS	Limited	Limited	12(7)	3(3)	0(0)	9(4)
Sustainability	10.05.13	ETE	Limited	Adequate	12(0)	11(0)	0(0)	1(0)
Document management system - Hantsfile	06.06.13	CR	Limited	Limited	12(8)	10(7)	1(0)	1(1)
Quality market	27.06.13	AS	Adequate	Adequate	13(9)	7(4)	6(5)	0(0)

Audit title	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)			
			Original	Current	Reported	Cleared	Pending	Overdue
Registration of social work staff	12.07.13	AS	Substantial	Substantial	2(2)	1(1)	0(0)	1(1)
Winnall Primary School	15.08.13	CS	Limited	Limited	37(30)	27(25)	3(0)	7(5)
High cost placement	12.06.13	AS	Adequate	Adequate	2(0)	1(0)	0(0)	1(0)
Community services process flow	12.08.13	AS	Adequate	Adequate	3(2)	0(0)	3(2)	0(0)
Data accuracy – bed occupancy	30.08.13	AS	Adequate	Adequate	6(6)	0(0)	0(0)	6(6)
Information management	02.09.13	PG	Adequate	Adequate	5(2)	0(0)	5(2)	0(0)
Business units – Forensic shared services	10.09.13	CCBS	Adequate	Adequate	19(18)	18(17)	1(1)	0(0)
Information security	31.10.13	CR	Adequate	Adequate	7(2)	3(1)	2(0)	2(1)
Non county placements / decision making for complex needs	19.11.13	CS	Limited	Limited	9(5)	4(3)	5(2)	0(0)
IT operating systems	09.12.13	CR	Adequate	Adequate	9(0)	6(0)	1(0)	2(0)
Recruitment	19.12.13	CR	Adequate	Adequate	3(0)	0(0)	0(0)	3(0)
Panel process	02.01.14	AS	Adequate	Adequate	4(3)	1(1)	2(2)	1(0)

Key to Sponsors:

Director of Corporate Resources	CR
Director of Adult Services	AS
Director of Children's Services	CS
Director of CCBS	CCBS
Director of ETE	ETE
Director of Corporate Resources	CR
Director of Policy and Governance	PG

3 Internal Audit Performance

The internal audit service is measured against the following key performance targets:

Performance Targets – 31 December 2013		
	Target for Year (%)	Actual to Date (%)
% of revised plan delivered (including 2012/13 c/f)	95	68
Compliant with the Public Sector Internal Audit Standards 2013	Yes	Yes
% of positive customer responses to Quality Appraisal Questionnaire	90	97

4 Planning and Resourcing

The internal audit plan for 2013-14 was approved by the Corporate Management Team and the Audit Committee in March 2013. The audit plan will remain fluid to ensure internal availability to react to the changing needs of the County Council. Progress against the plan is detailed within section 7.

5 Fraud and Irregularities

Within the year Internal Audit has assessed and where appropriate investigated or supported the investigation of nine allegations of fraud, corruption or improper practice. Of these:

- 1 assisting police with an enquiries (individuals involved non HCC employees)
- 4 allegations were investigated with no further action being taken against the individuals concerned
- 2 were investigated undertaken following disciplinary action against a member of staff
- 2 investigation remains on-going

We have subsequently provided advice to management on a number other cases as required

6 Rolling work programme

Audit title	Audit Sponsor	Audit progress					
		Audit scoping started	Audit outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Audit Plan 2013/14 (including 2012/13 c/f)							
Procurement - category management	CCBS	✓	✓	✓	✓	✓	
Property Management	CCBS	✓	✓	✓	✓	✓	
Grants granted	CCBS	✓	✓	✓	✓	✓	
CCBS thematic 2 - volunteers	CCBS	✓	✓	✓	✓	✓	
Business units	CCBS	✓	✓	✓	✓	✓	10/09/13
Recruitment	CR	✓	✓	✓	✓	✓	19/12/13
Non-County placements/Decision making for complex needs	CS	✓	✓	✓	✓	✓	19/11/13
Commissioning and purchasing of services	CS	✓	✓	✓	✓	✓	11/10/13
IT Operating systems	CS	✓	✓	✓	✓	✓	

Audit title	Audit Sponsor	Audit progress					
		Audit scoping started	Audit outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Charging & contribution	AS	✓	✓	✓	✓	✓	
Strategic planning (Service planning and performance management)	CEX	✓	-	✓	✓	✓	04/12/13 *
Employment practices - casework	CR						
Information management	PG	✓	✓	✓	✓	✓	02/09/13
Health and Safety	PG	✓	-	✓	✓	-	-
Procurement card governance	CCBS	✓	✓	✓	✓	✓	09/12/13
Control of capital resources	CCBS	✓	✓	✓	✓	✓	
Expense management	CR	✓	✓	✓	✓	✓	
Contract management	CCBS	✓	✓	✓	✓	✓	
Property management	CCBS	✓					
Facilities management/ Workstyles	CCBS	✓	✓				
Asset management	CCBS	✓					
Property asset management system (PAM)	CCBS	✓	✓				

Audit title	Audit Sponsor	Audit progress					
		Audit scoping started	Audit outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Website management	CR	✓	✓	✓			
Information security	CR	✓	✓	✓	✓	✓	31/10/13
Code of conduct (ethics, standards and behaviours)	PG	✓	✓				
Transparency agenda	PG						
NFI matches	CR	✓	-	✓			
NFI enquiries	CR	✓	-	✓			
Proactive fraud initiatives - policies and procedures update	CR	✓	✓	✓	✓	✓	05/12/13
Fraud thematic review – procurement cards	CR	✓	✓	✓	✓	✓	
Risk management	PG	✓	✓	✓	✓	✓	
Annual Governance Statement	PG	✓	✓	✓	✓	-	-
Annual review of effectiveness of internal audit	CIA	✓	✓	✓	✓	✓	05/12/13
Payroll (stage1)	CR	✓	✓	✓	✓	To be reported with stage 2	

Audit title	Audit Sponsor	Audit progress					
		Audit scoping started	Audit outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Payroll (stage2)	CR	n/a	n/a	✓			
Payroll - premia payments	CR	✓					
Payroll technical	CR	✓	✓	✓			
Pensions (HCC perspective)	CR						
SAP interfaces	CR	✓	✓	✓	✓		
Residential charges for social care	CR	✓	✓	✓	✓		
Real estate (energy management system)	CR	✓	✓	✓	✓	✓	
Bank reconciliations	CR	✓	✓	✓	✓	✓	07/10/13
Transformation of services - Integrated business centre	CR	✓	✓				
Network management and monitoring	CR	✓	✓	✓			
Applications management and control	CR	✓	✓	✓			
Computer installations and operations	CR	✓	✓	✓			
Financial processes	CR	✓	✓				

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IT governance	CR	✓	✓	✓	✓		
Safeguarding – (non Adults & Children’s)	CS / various	✓	✓	✓	✓	✓	
School thematic review –Income	CS	✓	✓	✓	✓		
School thematic review – recruitment	CS	✓	✓	✓	✓	✓	30/09/13
School thematic review – VAT	CS	✓					
School thematic review – Payroll	CS	✓	✓	✓	✓	✓	
School thematic review- IT related	CS	✓	✓	✓			
Bramley Primary School	CS	✓	✓	✓	✓	✓	05/08/13
Winnall Primary School	CS	✓	✓	✓	✓	✓	15/08/13
Osborne School	CS	✓	✓	✓	✓	✓	12/12/13
SFVS	CS	✓	✓	✓	✓	✓	24/05/13
School place planning	CS	✓	✓	✓	✓	✓	22/11/13
Home to school transport	CS	✓	✓	✓			

Audit title	Audit Sponsor	Audit progress					
		Audit scoping started	Audit outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Local children partnership	CS/PG	✓	✓	✓	✓		
Education of children looked after	CS	✓	✓	✓	✓	✓	
Youth Offending Service	CS	✓	✓	✓	✓		
Direct payments	CS						
Asylum seekers	CS	✓	✓	✓	✓		
Commissioning and purchasing of services	CS						
Adoption	CS	✓	✓	✓			
Adult Learning	CS	✓	✓	✓	✓	✓	08/08/13
Troubled families governance review	CS	✓					
Voluntary Organisation Financial Management Review (Spotlight)	CS	✓	✓	✓	✓	✓	25/11/13
Adult services establishments - thematic review 1 - financial administration	AS	✓	✓	✓			
Adult services establishments - thematic review 2	AS						

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Personalisation - self directed support & direct payments	AS						
Panel process	AS	✓	✓	✓	✓	✓	02/01/14
Domiciliary care and nursing placements	AS	✓	✓	✓	✓	✓	
Notification of deaths	AS	✓	✓	✓	✓		
Data accuracy - bed occupancy	AS	✓	✓	✓	✓	✓	30/08/13
Care governance processes (includes safeguarding)	AS						
Electronic Domiciliary Care Monitoring System	AS						
Client affairs	AS	✓					
Paying for care team	AS						
Telecare contract	AS						
Public Health	AS	✓					
Extra care housing	AS						
Operational workflow case management	AS	✓	✓	✓	✓		

Audit title	Audit Sponsor	Audit progress					
		Audit scoping started	Audit outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Highways maintenance	ETE	✓	✓	✓	✓	✓	
Developer contributions	ETE						
Enterprise M3 LEP - governance	ETE	✓	✓	✓	✓	✓	
CCBS establishment thematic review	CCBS						
Staunton Country Park	CCBS	✓	✓	✓	✓	✓	
Runways End	CCBS	✓	✓	✓	✓	✓	
Concessionary fares	ETE	✓	✓	✓	✓		
Arboriculture	ETE	✓	✓	✓	✓	✓	10/12/13
Term engineering contracts	CCBS	✓					
Business units – HTM	CCBS	✓	✓	✓			
Business units – HC3S	CCBS	✓	✓	✓	✓		
Framework trends	CCBS	✓					
Property Strategic Partners	CCBS						

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		Audit scoping started	Audit outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Trading company (Property Services)	CCBS	✓					
Tender of Manpower contract	CCBS	✓					
South East and London construction framework	CCBS						
Various Grants Claims & miscellaneous assurance work	All	✓	✓	✓	✓	n/a	n/a

*assurance obtained through assurance mapping

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Director of ETE	ETE

