



**SOUTHAMPTON**  
CITY COUNCIL

## **Internal Audit Progress Report**

19<sup>th</sup> April 2021

Elizabeth Goodwin, Chief Internal Auditor

## 1. Executive Summary

Internal Audit is a statutory function for all local authorities.

The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015 as 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*

The standards for 'proper practices' are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2016].

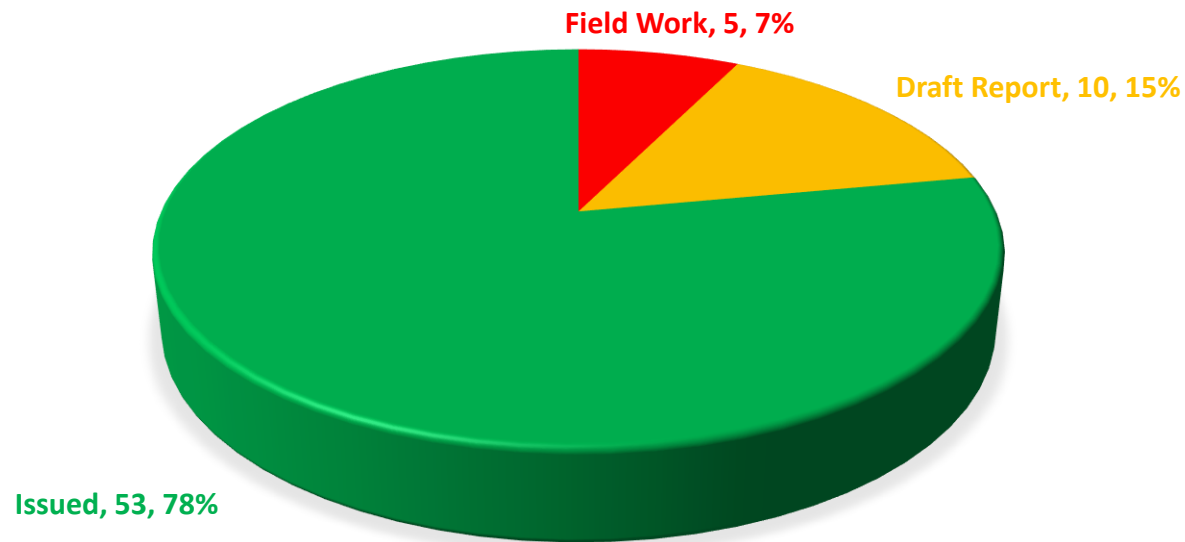
Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes

This report includes the status against the 2020/21 internal audit plan. In summary 100% of the 2020/21 plan has been concluded or are in progress. All items yet to be fully completed will be finalised by the next reporting period and will therefore enable an annual opinion to be given.

Internal Audit has been involved in supporting the organisation during the Covid 19 pandemic, either by performing additional work or due to staff redeployment. The details and results are included in this report for information.

There are currently no 'no assurance' reports contained in this report for this period. All items completed since the last committee attendance are detailed at a summary level in this report. This includes, full audits, follow up work and grant work completed.

## 2. Audit Plan Progress as of 31<sup>st</sup> March 2021



There are a total of 68 reviews in the 2020/21 Audit Plan.

To date, 71 (100%) have been completed or are in progress as at 31<sup>st</sup> March 2021. This represents 56 (79%) audits where the report has been finalised, 10 (14%) where the report is in draft and 5 (7%) audits currently in progress.

Status	Audits
Identified	0
Fieldwork	5
Draft Report	10
Final Report	56
<b>Total</b>	<b>71</b>

### 3. Ongoing Internal Audit Involvement

Internal Audit has undertaken work or provided advice in the following areas. (For reference, advice is only recorded when the time taken to provide the advice exceeds one hour):

- 7 Items of advice
- Anti-Money Laundering - This includes receipt of instances of large cash payments received and onward reporting if deemed appropriate.
- National Fraud Initiative (NFI) to facilitate national data matching carried out by the Cabinet Office. There has been two additional NFI exercises in relation to COVID-19, these relate to mortality and business grants.
- COVID-19 Assurance reporting and grant verification.
- Audit Planning and Consultation - This includes periodical consultation with Directors and revision of the plan following subsequent research into individual assignments.
- Routine advice on controls and risk management.
- COVID-19 loss of income analysis and softer approaches to debt recovery data exercise.
- Investigations which are in various stages. A more detailed report of concluded investigations will form part of the annual fraud report which will be presented to the Governance Committee in due course.

Over the course of this financial year, Internal Audit has also been involved in supporting the organisation in maintaining critical activities during Covid-19, this has included redeployment of some staff and undertaking ad-hoc control and risk management assessments in order for the organisation to flex its governance framework.

## 4. Audit Plan Status/Changes

At the beginning of last year when the country went into lockdown and only critical council services were maintained, a number of the officers in the Audit were redeployed. There was also restriction on IT access during core times, physical access to records and a significant increase in advice and general support. As a result Internal Audit officers spent 143 days on work not relating to Internal Audit. The main areas where this time was spent was in the redeployment of an officer to SCC Track and Trace service, one officer performing duties aiding with identifying COVID-19 Loss of Income and softer recovery practices and an officer who was deployed to the Accounts Payable team.

In addition to the impact noted above, there has been a significant increase in the number of grant verifications and fraud work required in this financial year which contributes to the overall review of SCC internal control framework. The Internal Audit coverage of activities for 2020/21 has therefore been reduced. Individual reviews were re-scoped in order to balance coverage and impact on client services. A sound level of both audit and counter fraud work has been performed across the year. No significant detrimental adverse implications from the reduced coverage is envisaged as the plan is almost complete and significant work has been undertaken on new risk areas highlighted as a result of the pandemic.

The Audit Plan has been more flexible this year to take into account the additional work in relation to the COVID-19 pandemic. Since the last reporting period the following should be noted; **Additions, removals and amendments to the 2020/21 Audit Plan:**

- Addition – Mobile Devices – Second follow up review has been performed.
- Addition – COVID-19 Enforcement Grant – new grant.
- Addition – Contract & Procurement ICU – audit split.
- Removal – Additional Dedicated H2S & College Transport No 31/5137 Tranche 2. Moved to the New Year's plan as pending evidence.
- Removal – Adult Safeguarding - Move to 2021/22 due to pressures on client resource.
- Removal – Cloud Storage – Moved to 2021/22 due to pressures on client resource.
- Removal – Direct Payments – previous item of work not closed, therefore unable to perform follow-up.
- Removal – Deprivation of Liberty - Move to 2021/22 due to pressures on client resource.
- Removal – Housing Rents and Debt Management – Request from client to move to next financial year due to work pressures.
- Removal – Learning and Development – Move to 2021/22 due to pressures on client resource.
- Removal – MASH - Move to 2021/22 due to pressures on the audit resource.
- Removal – Track and Trace Grant – Yet to spend the complete funds so has been moved to the 2021/22 Audit Plan.
- Removal – Recruitment and Retention – Moved to 2021/22 due to redeployment and HR staff priorities elsewhere.

## 5. Areas of Concern

There are no 'no assurance' opinion audits being reported on this period, all other findings are noted below.

## 6. Assurance Levels

Internal Audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives for the area under review.

Assurance Level	Description / Examples
<b>Assurance</b>	<i>No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority</i>
<b>Reasonable Assurance</b>	<i>Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority</i>
<b>Limited Assurance</b>	<i>Control weaknesses or risks were identified which pose a more significant risk to the Authority</i>
<b>No Assurance</b>	<i>Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit</i>
<b>NAT</b>	<i>No areas tested</i>

*Audits rated No Assurance are specifically highlighted to the Governance Committee along with any Director's comments. The Committee is able to request any director attends a meeting to discuss the issues.*

## 7. Exception Risk Ranking

The following table outline the exceptions raised in audit reports, reported in priority order and are broadly equivalent to those previously used.

Priority Level	Description
<b>Low Risk (Improvement)</b>	<i>Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.</i>
<b>Medium Risk</b>	<i>These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.</i>
<b>High Risk</b>	<i>Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not 'show stopping' but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.</i>
<b>Critical Risk</b>	<i>Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the Council's objectives in relation to: The efficient and effective use of resources, The safeguarding of assets, The preparation of reliable financial and operational information, Compliance with laws and regulations and corrective action needs to be taken immediately.</i>

*Any critical exceptions found the will be reported in their entirety to the Governance Committee along with Director's comments*

## 8. 2020/21 Audits completed to 31<sup>st</sup> March 2021

### Education Psychologists

#### Exceptions Raised

Critical	High	Medium	Low
0	1	1	0

#### Overall Assurance Level

Reasonable
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#### Assurance Level by Scope Area

Achievement of Strategic Objectives	No Areas Tested
Compliance with Policies, Laws & Regulations	Reasonable
Safeguarding of Assets	Assurance
Effectiveness and Efficiency of Operations	Reasonable
Reliability and Integrity of Data	No Areas Tested

The high risk relates to testing identifying, from a sample of 15 statutory assessments, 7 (46.7%) were not completed and sent to the Special Educational Needs & Disability team within the 12<sup>th</sup> week statutory deadline. A further review of Education Health Care Plans (EHC) completed ascertained that this failure rate is not representative across the whole population as there were only 15 (7%) out of a total 215 EHC Plans had a delay. The medium risk relates to testing on a sample of account codes identifying actual income did not align with the income targets budget approved at the start of the financial year.

### Expenses, Travel & Subsistence

#### Exceptions Raised

Critical	High	Medium	Low
0	0	1	0

#### Overall Assurance Level

Reasonable
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#### Assurance Level by Scope Area

Achievement of Strategic Objectives	No Areas Tested
Compliance with Policies, Laws & Regulations	Reasonable
Safeguarding of Assets	Assurance
Effectiveness and Efficiency of Operations	No Areas Tested
Reliability and Integrity of Data	No Areas Tested

The medium risk relates to sample testing of 40 expense claims identifying 1/40 which did not include a valid receipt attached to the Business World claim and 1/40 should not have been claimed through the expenses route.



**Fleet Management**
**Exceptions Raised**

Critical	High	Medium	Low
0	2	0	1

**Overall Assurance Level**

Limited
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	No Areas Tested
Compliance with Policies, Laws & Regulations	Assurance
Safeguarding of Assets	Limited
Effectiveness and Efficiency of Operations	Reasonable
Reliability and Integrity of Data	No Areas Tested

The first high risk relates to testing identifying that there were 5 vehicles in the fleet which had annual maintenance costs which exceeded 25% of the purchase price of the vehicle. This highlighted a lack of programmed replacement strategy for vehicles that have exceeded their useful life. Work has started with an additional £12.7m fleet investment in the capital budget to introduce this programme. The second high risk related to the lack of monitoring of individual drivers fuel consumption/efficiency, lack of driver policy and 2 fuel contracts had expired. The low risk related to the reorder limit for fuel deliveries at the Granville road fuel pump.

**Grounds Maintenance**
**Exceptions Raised**

Critical	High	Medium	Low
0	2	2	0

**Overall Assurance Level**

Limited
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	No Areas Tested
Compliance with Policies, Laws & Regulations	No Areas Tested
Safeguarding of Assets	Limited
Effectiveness and Efficiency of Operations	Limited
Reliability and Integrity of Data	Reasonable

The first high risk relates to the safety hub having created a health, safety & learning development spreadsheet to monitor training requirements but it is not currently in place for the grounds maintenance district teams. Furthermore, testing could only evidence 6 out of a sample of 15 officers had undertaken competency testing across all categories of machinery. The second high risk related to machinery purchases needing to be advertised on Contract Finder. The first medium risk related to feedback from 3 out of 15 green space monitoring feedback had no recorded action. The final medium risk related to notification of land sales and the updating of Somaps which highlights grounds and grass cutting plot layers.

**Payroll**
**Exceptions Raised**

Critical	High	Medium	Low
0	0	3	0

**Overall Assurance Level**

<b>Reasonable</b>
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	No Areas Tested
Compliance with Policies, Laws & Regulations	<b>Assurance</b>
Safeguarding of Assets	<b>Reasonable</b>
Effectiveness and Efficiency of Operations	<b>Reasonable</b>
Reliability and Integrity of Data	No Areas Tested

The first medium risk relates to testing identifying 3 staff members having incorrect National Insurance numbers recorded. The second medium risk relates to 5 apprentices employees and 2 Class M employees having incorrect category codes for National Insurance deduction rates. The final medium risk relates to sample testing of 25 overpayments identifying 14/25 that did not include a reason for the overpayment and 10/25 had no recovery documentation.

**Pension Return**
**Exceptions Raised**

Critical	High	Medium	Low
0	0	0	0

**Overall Assurance Level**

<b>Reasonable</b>
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	No Areas Tested
Compliance with Policies, Laws & Regulations	<b>Reasonable</b>
Safeguarding of Assets	No Areas Tested
Effectiveness and Efficiency of Operations	<b>Reasonable</b>
Reliability and Integrity of Data	<b>Reasonable</b>

In summary, this audit review established that there are now processes in place to alleviate the concerns raised by the Hampshire Pension Fund (HPF) during September 2020. Monthly contact with the HPF and Payroll providers ensure any new issues are resolved promptly, and monthly data and financial review will mitigate the risk of inaccurate or delayed annual returns. Although this audit has highlighted the positive steps made in resolving the concerns raised by the HPF, new processes are in their infancy stages and their full effectiveness is not yet evident. Therefore, Internal Audit offers reasonable assurance that Pension Return processes will be effective to mitigate risk exposure. A follow up will be performed during 2021/22 to assess the effectiveness of arrangements which should have time to have been executed as noted above.

**Procurement & Supplier Management Service Contract**
**Exceptions Raised**

Critical	High	Medium	Low
0	0	5	0

**Overall Assurance Level**

<b>Reasonable</b>
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	<b>Reasonable</b>
Compliance with Policies, Laws & Regulations	<b>Reasonable</b>
Safeguarding of Assets	<b>No Areas Tested</b>
Effectiveness and Efficiency of Operations	<b>Reasonable</b>
Reliability and Integrity of Data	<b>No Areas Tested</b>

The first medium risk relates to testing identifying spend over £5,000 with 3 suppliers but no engagement with the Supplier Management Service (SMS) Procurement Team which is a breach of internal procedures. Furthermore, the reporting mechanism does not currently include a cumulative spend per supplier to ensure spend over time is monitored. The second medium risk relates to 2/3 suppliers identified having not been advertised on Contract Finder. The third medium risk relates to a lack of recorded action taken by Executive Directors once compliance matters are escalated. The fourth medium risk relates to the number of exemptions rejected indicating further training needs required for the submitter. The final medium risk relates to sample testing of 10 'Request for Contract' forms highlighting 1/10 did not state who approved the budget and 2/10 had not been completed within the initial timescale. Note: A second review on Procurement - ICU is currently in progress as this services cover the arrangements for both Children's and Adults.

**Polygon School**
**Exceptions Raised**

Critical	High	Medium	Low
0	3	3	0

**Overall Assurance Level**

<b>Limited</b>
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	<b>Limited</b>
Compliance with Policies, Laws & Regulations	<b>Reasonable</b>
Safeguarding of Assets	<b>Assurance</b>
Effectiveness and Efficiency of Operations	<b>Limited</b>
Reliability and Integrity of Data	<b>No Areas Tested</b>

The first high risk relates to a lack of evidence in relation to Governing Body participation in the evaluation and completion of the Schools Financial Value Standard (SFVS) statement. The second high risk relates to the retention of confidential data. The third high risk relates to the Governing Body / Finance & Resourcing Committee being supplied with insufficient source data to enable monitoring of the ongoing deficit recovery budgetary position. The first medium risk relates to schools cars log books not containing complete information. The second medium risk relates to the school not adopting a CCTV policy and the final medium risk relates to a lack of information on the financial activity of an association.

**Purchase Cards**
**Exceptions Raised**

Critical	High	Medium	Low
0	2	2	0

**Overall Assurance Level**

Limited
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	No Areas Tested
Compliance with Policies, Laws & Regulations	Limited
Safeguarding of Assets	No Areas Tested
Effectiveness and Efficiency of Operations	Limited
Reliability and Integrity of Data	Reasonable

The first high risk relates to a random sample of 15 purchase card transactions being unable to evidence the VAT receipts for 3 transactions. The second high risk relates to testing identifying 5/30 transactions were not coded correctly due to the VAT element not being coded. The first medium risk relates to 6/30 transactions not complying with the purchasing policy requirements. The final medium risk relates to testing of the purchase card transaction report finding 2.2% of transactions were not coded on Business World with the relevant cost centres and VAT within the 30 day deadline.

**Mount Pleasant Junior School**
**Exceptions Raised**

Critical	High	Medium	Low
0	3	0	0

**Overall Assurance Level**

Reasonable
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	Limited
Compliance with Policies, Laws & Regulations	Reasonable
Safeguarding of Assets	No Areas Tested
Effectiveness and Efficiency of Operations	Assurance
Reliability and Integrity of Data	No Areas Tested

The first high risk relates to the Governing Body / Finance staff not demonstrating that the school collectively has adequate financial skills to fulfil their financial responsibilities by completing a skills matrix. The second high risk relates to there being no terms of reference for the Governing Body. The third high risk relates to sample testing of petty cash claims finding 1/19 cannot be claimed via petty cash, 9/19 were unauthorised, 9/19 exceeded the standard limit threshold.

**Payment Without Invoice - Refunds**
**Exceptions Raised**

<b>Critical</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
0	0	0	0

**Overall Assurance Level**

<b>Assurance</b>
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**Assurance Level by Scope Area**

Achievement of Strategic Objectives	<b>No Areas Tested</b>
Compliance with Policies, Laws & Regulations	<b>Assurance</b>
Safeguarding of Assets	<b>Assurance</b>
Effectiveness and Efficiency of Operations	<b>Assurance</b>
Reliability and Integrity of Data	<b>No Areas Tested</b>

From the testing undertaken, no issues were raised with issuing the payment without invoice method as a form to issue refunds. From the testing areas reviewed, Homeloss Refunds and Low Emission Taxis, the refunds issued were in line with internal guidance.

**Family Matters Grant**

<b>Grant Outcome:</b>	<b>Assurance</b>
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Internal Audit have performed testing on a regular basis for each submission and were able to evidence that the terms and conditions have been complied with.

**EU Perinatal Mental Health**

<b>Grant Outcome:</b>	<b>Assurance</b>
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Internal Audit have performed testing on a regular basis for each submission and were able to evidence that the terms and conditions have been complied with.

**Bus Services COVID-19 Support Grant**

<b>Grant Outcome:</b>	<b>Assurance</b>
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Internal Audit have carried out appropriate investigations and checks, in our opinion, in all significant aspects, the conditions attached to the COVID-19 Bus Services Support Grant for local transport authorities Grant Determination 2020/21 have been complied with.

**Travel Demand Management Grant**

**Grant Outcome:**

**Assurance**

Internal Audit have carried out appropriate investigations and checks, in our opinion, in all significant aspects, the conditions attached to the Travel Demand Management Grant have been complied with.

## 9. 2020/2021 Follow-up Audits completed to 31<sup>st</sup> March 2021

### Agency / Temps – 2<sup>nd</sup> Follow Up Audit

#### Original Exceptions Raised

Critical	High	Medium	Low
0	1	0	1

Latest implementation date scheduled during the follow up audit was September 2019.  
Revised date: 1<sup>st</sup> April 2021

#### Original Assurance Level

Limited
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#### 2<sup>nd</sup> Follow Up Level

Limited
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#### Follow Up Action

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
1 (High) 1 (Low)	0	0	0	0	0	0	0

Follow up testing was unable to evidence progress being made for these exceptions. The high risk remains open. 33% of total spend was with agencies other than Hays and a new contract with a neutral vendor is not due to be in place until 1<sup>st</sup> April 2021. The low risk remains open due to there being no formal agency recruitment policies in place. This area is included in the 2021/22 Audit Plan as a full review.

### Asset Management – 2<sup>nd</sup> Follow Up Audit

#### Original Exceptions Raised

Critical	High	Medium	Low
0	2	0	0

Latest implementation date scheduled during the audit was February 2020.  
Revised date: Ongoing Action

#### Original Assurance Level

Limited
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#### Follow Up Assurance Level

Reasonable
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#### Follow Up Action

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	1 (High)	0	1 (High)	0	0	0

Follow up testing was able to close 1 high risk exception. The other high risk remains in progress as the audit identified 68/135 rent and 64/151 lease reviews have been completed which is an improvement from the last audit. There has also been a significant decline in the reviews that are yet to begin.

**Asbestos - Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	4	0	1

Latest implementation date scheduled during the audit was September 2019.  
 Revised date: May 2021

**Original Assurance Level**

Limited
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**Follow Up Assurance Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	2 (High)	0	2 (High) 1 (Medium)	0	0	0

Follow up testing was able to close 2 high and one medium risk. The first high risk in progress relates to testing still identifying asbestos action returns information not being clear enough to update the asbestos database. The second high risk in progress relates to the asbestos removal framework (new contract) not forecast to be awarded until May 2021 with temporary arrangements being put in place until then. There will be a second follow up review undertaken in the 2021/22 Audit Plan.

**Asbestos Construction Design & Management (CDM) Regulations - Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	4	1	0

Latest implementation date scheduled during the audit was February 2020.  
 Revised date: 1<sup>st</sup> April 2021

**Original Assurance Level**

Limited
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**Follow Up Assurance Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
1 (High)	0	2 (High) 1 (Medium)	0	1 (High)	0	0	0

The first high risk that remain in progress while a review of project documentation is completed. The second high risk will be verified during the conclusion of the Project Governance audit. The third high risk remains open to identify in pre-contract design activities the need of a research and development survey. The medium risk remains in progress awaiting training which was postponed by COVID-19.



**Bassett Green Primary School - Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	6	4	0

Latest implementation date scheduled during the audit was February 2020.  
 Revised date: Ongoing Action

**Original Assurance Level**

Reasonable
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**Follow Up Assurance Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
1 (Medium)	0	0	0	6 (High) 1 (Medium)	1 (Medium)	0	1 (Medium)

Follow up testing was able to close 6 high and 3 medium risk exceptions. The remaining open exception relates to petty cash as 3/9 claims tested exceeding the £50 petty cash limit as stimulated by the Governing Body Financial Procedures Policy.

**Blue Badge - Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	1	0	0

Latest implementation date scheduled during the audit was February 2020.  
 Revised date: January 2021

**Original Assurance Level**

Reasonable
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**Follow Up Assurance Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
1 (High)	0	0	0	0	0	0	0

Follow up testing was unable to close the high risk exception due to the Blue Badge system still not having data cleansing capabilities which would enable systematic removal of blue badge data when it is no longer required.

**Children in Need – 2<sup>nd</sup> Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	2	1	0

Latest implementation date scheduled during the audit was September 2019.  
 Revised date: January 2021

**Original Assurance Level**

Limited
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**2<sup>nd</sup> Follow Up Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	1 (High) 1 (Medium)	0	1 (High)	0	0	0

Follow up testing was able to close a high risk exception. One high risk exception remains in progress, although managers now receive daily reports that show the level of supervision for individual cases, sample testing highlighted 13% of Children in Need Plans were overdue the 45 day statutory deadline. The medium risk remains in progress as although reminders have been sent to staff to include narrative around late submissions, 1/20 cases only included a revised date with no further notes.

**Child Exploitation and Missing Children – 2<sup>nd</sup> Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	0	3	0

Latest implementation date scheduled during the audit was September 2019.

**Original Assurance Level**

Limited
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**2<sup>nd</sup> Follow Up Level**

Assurance
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	0	0	3 (Medium)	0	0	0

Follow up testing was able to close all three medium risk exceptions.

**Data Management – 2<sup>nd</sup> Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	1	0	0

Latest implementation date scheduled during the audit was September 2019.  
 Revised date: Ongoing Action

**Original Assurance Level**

Reasonable
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**2<sup>nd</sup> Follow Up Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	1 (High)	0	0	0	0	0

Follow up testing was unable to close the high risk exception. This relates to a delay in the developments of data cleansing capabilities for software applications to allow for the removal of data.

**Electric Vehicle Charging Points – Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	3	1	0

Latest implementation date scheduled during the audit was August 2020.  
 Revised Date: Ongoing Action

**Original Assurance Level**

Limited
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**Follow Up Assurance Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	3 (High)	0	1 (Medium)	0	0	0

One medium risk exception has been closed and verified. The first high risk remains in progress as although an issue log of downtime of charging points is now being maintained, the back office system still cannot report on how long charge points are offline for. The second high risk remains in progress as although there is now a clear file structure and documentation for charging point installations, only one has occurred since the last audit. The final high risk in progress relates to verification of quotes/invoices, as no further quotes have been received since the last audit this remain in progress.

**Flood Risk Management – Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	1	2	0

Latest implementation date scheduled during the audit was December 2020.  
 Revised Date: March 2021

**Original Assurance Level**

Reasonable
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**Follow Up Assurance Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
1 (Medium)	0	1 (High) 1 (Medium)	0	0	0	0	0

The high risk remain in progress while the service wait on the position update of grant income for future years. The medium risk that remains in progress relates to incomplete flood records with the service waiting on the online flood form to be uploaded by IT. The open medium risk relates to the Local Flood Management Strategy was last reviewed in November 2019.

**Independent Fostering Arrangements – 2<sup>nd</sup> Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	3	0	0

Latest implementation date scheduled during the audit was August 2020.

**Original Assurance Level**

Limited
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**2<sup>nd</sup> Follow Up Level**

Assurance
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	0	0	3 (High)	0	0	0

All three high risk exceptions were closed down during the second follow up review.

**IT Procurement, Inventory Control and Disposal – Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	4	0	0

Latest implementation date scheduled during the audit was December 2019  
 Revised Date: Ongoing Action

**Original Assurance Level**

No Assurance
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**Follow Up Assurance Level**

Limited
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	4 (High)	0	0	0	0	0

The first high risk relating to donating of IT equipment remains in progress, although the practice has stopped the general disposal process has residual issue due to audit only being able to evidence 14 out of 18 items of laptops/PCs sampled as having been disposed of by the accredited business. The second high risk remains in progress as an audit stock take was unable to locate 10 out of 23 items during the initial stocktake. The third high risk relates to inaccurate information being contained in the asset database and annual checks not being undertaken on qualifying machinery which is a requirement of the Financial Procedure Rules. The final high risk remains in progress due to there being an insufficient disposal management trail for IT equipment.

**Health & Safety – Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	4	2	0

Latest implementation date scheduled during the audit was May 2020  
 Revised Date: March 2021

**Original Assurance Level**

Limited
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**Follow Up Assurance Level**

Limited
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	4 (High) 1 (Medium)	0	1 (Medium)	0	0	0

The first high risk relating to outdated risk assessments remains in progress while a staged H&S audit plan has been developed and implemented, three 3 risk assessments in City Services are still overdue a review. The second high risk relating to overdue fire risk assessment actions remains in progress. The third high risk relating to training reports remains in progress as reports on training are unable to be generated. The final high and medium risks in progress relates to the timeliness of closing incidents.

**Looked After Children – 2<sup>nd</sup> Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	0	5	0

Latest implementation date scheduled during the audit was August 2020.  
 Revised Date: Ongoing Action

**Original Assurance Level**

Reasonable
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**2<sup>nd</sup> Follow Up Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
4 (Medium)	0	0	0	0	1 (Medium)	0	0

The first open medium risk relates to 9/18 plans sampled not meeting the management target of 3 days for plan changes. The second open medium risk related to sample testing of 18 Personal Education Plans identifying 1/18 had not been logged on Paris and 16/18 exceeded the 4 weeks target for management signoff for spring time. The third medium risk remains open due to 2/18 cases not having supervision notes in 15 weeks. The fourth medium risk remains open due to 5/18 cases exceeding their Health Care Assessment's (HCA's) annual review date and 4/5 of these didn't have HCA's in place. The fifth medium risk has been closed due to the Care Director being scheduled to replace Paris but audit has not verified this progress.

**Mobile Devices - 2<sup>nd</sup> Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	1	0	0

Latest implementation date scheduled during the audit was August 2020.

**Original Assurance Level**

Limited
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**2<sup>nd</sup> Follow Up Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	0	0	1 (High)	0	0	0

The high risk exception has been closed down due to the progress shown in allocating mobile devices or cancelling them for non-usage with only 20 devices now awaiting confirmation from service on allocation.

**Parking (Income Collection) – Follow Up Audit**

**Original Exceptions Raised**

Critical	High	Medium	Low
0	3	4	0

Latest implementation date scheduled during the audit was December 2020.  
Revised Date: First Half of 2021

**Original Assurance Level**

Limited
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**Follow Up Assurance Level**

Limited
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
3 (Medium)	0	2 (High) 1 (Medium)	0	1 (High)	0	0	0

The first open high risk remains in progress awaiting a formal contract with a supplier. The second high risk relates to outstanding permit amounts in the SiDem system, although these have reduced significantly due to how discounts are recorded some remain. The medium risks relating to service level agreements with external suppliers, routine maintenance and the completion of annual parking reports remain open due to a lack of progress and COVID-19 impacts. The final medium risk relating to permit applications was unable to be retested due to COVID-19 restrictions.

**Pest Control – 2<sup>nd</sup> Follow Up Audit**

**Original Exceptions Raised**

Critical	High	Medium	Low
0	1	4	0

Latest implementation date scheduled during the audit was December 2020.  
Revised Date: Ongoing Action

**Original Assurance Level**

Limited
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**2<sup>nd</sup> Follow Up Assurance**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
1 (Medium)	0	1 (High) 2 (Medium)	0	1 (Medium)	0	0	0

One medium risk was closed and verified. The high risk remains in progress while a defined refunds procedure for retrospective refunds is implemented. The first medium risk remains open awaiting upgrades to the Lagan system. The remaining medium risks relating to stock takes and contract monitoring remains in progress while further stocktakes are completed and the schools SLA programs for pest control restarts post COVID-19.

**Short Breaks – Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	2	1	0

Latest implementation date scheduled during the audit was December 2020.  
Revised Date: Ongoing Action

**Original Assurance Level**

Limited
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**Follow Up Assurance Level**

Limited
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
2 (High)	1 (Medium)	0	0	0	0	0	0

The first open high risk relates to sample testing of short break cases finding 7 out of 10 did not meet the annual review timescales. The second open high risk relates to 3/10 approved short break cases not having a current Education Health Care Plan (EHC Plan). Furthermore, 6/10 EHC Plans were not uploaded onto the Paris system. The medium risk remains pending awaiting the final Annual Report for 2019/20 being issued.

**St Monica Primary School – Follow Up Audit**
**Original Exceptions Raised**

Critical	High	Medium	Low
0	12	3	1

Latest implementation date scheduled during the audit was October 2019.  
Revised Date: Ongoing Action

**Original Assurance Level**

No Assurance
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**Follow Up Assurance Level**

Reasonable
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	4 (High) 1 (Medium)	0	8 (High) 2 (Medium) 1 (Low)	0	0	0

Eight high, 2 medium and one low risk have been closed down during the follow up review. The first high risk remains in progress due to the Governors 'shelving' the Schools Financial Value Standard (SFVS) submission requirements due to time pressures (this is a mandatory requirement). The second high risk and medium risk remains in progress due to staff needing to be made aware of the disaster recovery plan and safety policy. The third high risk on school inventory remains in progress and the fourth relating to the budget is in progress while a budget deficit is carried forward.



**Woolston Infant School – Follow Up Audit**

**Original Exceptions Raised**

<b>Critical</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
0	2	2	0

Latest implementation date scheduled during the audit was October 2019.

**Original Assurance Level**

<b>Reasonable</b>
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**Follow Up Assurance Level**

<b>Assurance</b>
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**Follow Up Action**

Open	Pending	In Progress	Implemented but Not Effective	Closed: Verified	Closed: Not Verified	Closed: Management Accepts Risks	Closed: No Longer Applicable
0	0	1 (High)	0	1 (High) 2 (Medium)	0	0	0

One high and two medium risks have been closed down during the follow up review. The remaining high risk that remains in progress relates to school inventory. Although stock takes have been undertaken, audit has been unable to evidence annual checks of that inventory have taken place in line with Financial Procedure Rules.

## 10. Follow-up Action Categorisation

The following table outlines the follow up categories used to describe the outcome of follow up testing completed.

Follow Up Categories	Description
Open	<i>No action has been taken on agreed action.</i>
Pending	<i>Actions cannot be taken at the current time but steps have been taken to prepare.</i>
In Progress	<i>Progress has been made on the agreed action however they have not been completed.</i>
Implemented but not Effective	<i>Agreed action implemented but not effective in mitigating the risk.</i>
Closed: <i>Verified</i>	<i>Agreed action implemented and risk mitigated, verified by follow up testing.</i>
Closed: <i>Not Verified</i>	<i>Client has stated action has been completed but unable to verify via testing.</i>
Closed: <i>Management Accepts Risk</i>	<i>Management has accepted the risk highlighted from the exception.</i>
Closed: <i>No Longer Applicable</i>	<i>Risk exposure no longer applicable.</i>

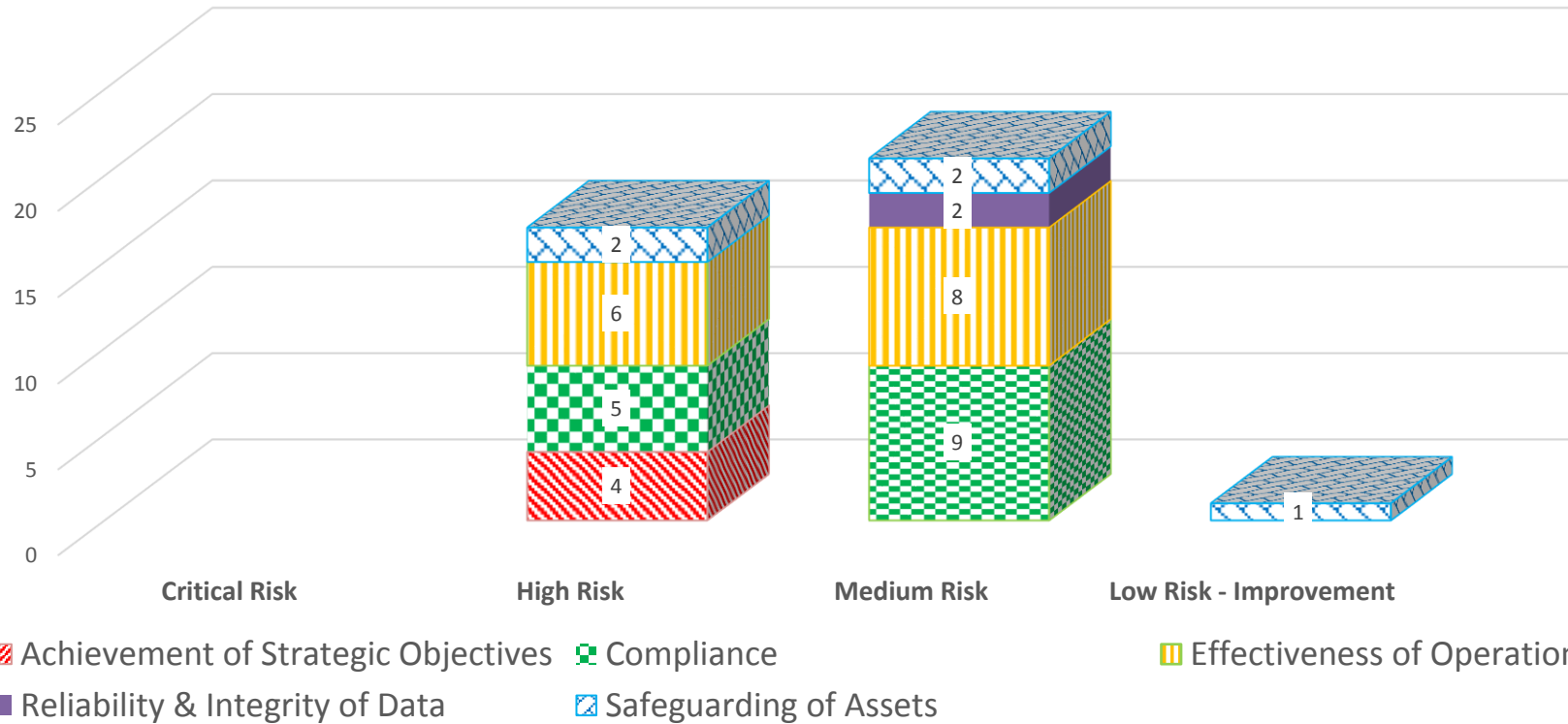
## 11. Audits in Draft

Audit	Directorate	Projected Reporting	Revised	Comments
Annual Governance Statement	All	July 2021		
Appointeeship	Wellbeing (Health & Adults) / Finance	November 2020	July 2021	Delay due to extra work.
Assurance Reporting	All	July 2021		
Business World	Finance	July 2021		
Capital Programme	Place	July 2021		
COVID-19 Enforcement Grant	All	July 2021		
Housing Depot (Responsive Repairs)	Finance	July 2021		
IT Project (Paris)	Business Services	November 2020	July 2021	Additional work performed.
Supplier Performance	Finance	July 2021		
Water Quality	Place	November 2020	July 2021	Delay due to extra work.

## 12. Audits in Progress

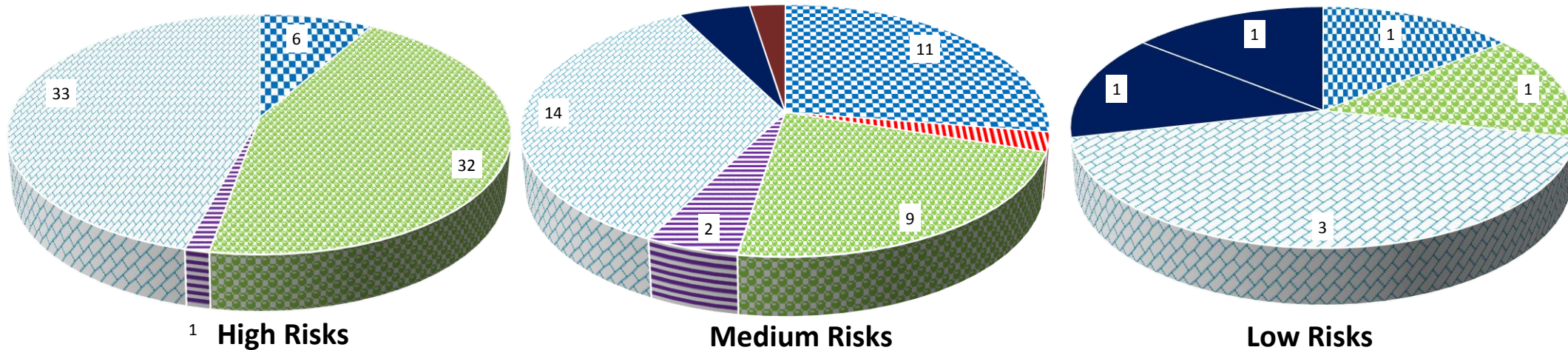
Audit	Directorate	Comments
Accounts Payable	Finance	
Accounts Receivable	Finance	
Care Act Carer	Wellbeing (Health & Adults)	
HMO Licensing	Community, Culture & Homes	
Procurement ICU	Finance	

### 13. Exception Analysis to Date



	Achievement of Strategic Objectives	Compliance	Effectiveness of Operations	Reliability & Integrity	Safeguarding of Assets	Total
Critical Risk						
High Risk	4	5	6		2	17
Medium Risk		9	8	2	2	21
Low Risk - Improvement					1	1
<b>Grand Total</b>	<b>4</b>	<b>14</b>	<b>14</b>	<b>2</b>	<b>5</b>	<b>39</b>

## 14. Follow Up Analysis



Open

In Progress

Closed – Verified

Pending

Implemented but not effective

Closed – Not Verified/Accepts Risk

	Open	Pending	In Progress	Implemented but not effective	Closed – Verified	Closed – Not Verified	Closed – Management Accepts Risk	Closed – No Longer Applicable
High Risk	6		32	1	33			
Medium Risk	11	1	9	2	14	2		1
Low Risk	1		1		3	1	1	
<b>Grand Total</b>	<b>19</b>	<b>1</b>	<b>42</b>	<b>3</b>	<b>50</b>	<b>1</b>	<b>1</b>	<b>1</b>

The Internal Audit Service follows up all audits where at least 1 high risk exception has been raised. These audits are followed up in the next financial year to allow for agreed actions to be sufficiently implemented. Any critical risk exceptions are followed up within 3 months due to the potential severity of the risks identified. The overall position of the exceptions followed up currently through 2020/21 shows that **45%** have been closed by audit, however **55%** remain open and or are in progress.