Summary of Internal Audit Service Work – 13 January to 19 April 2024   **Appendix 1**

Assurance Audits

Department	Entity	Final report (or position at 19/4	Opinion / Assurance rating	HI Rec'n
Adults & Communities	Direct Payments	Awaiting review Draft report estimated 31/5/24	TBC	TBC
Adults & Communities	Financial Abuse of Vulnerable Service Users	Awaiting review Draft report estimated 31/5/24	TBC	TBC
Children & Family Services	Barwell Infant School	Final issued	Substantial	No
Children & Family Services	St Deny CE Infant School	Final issued	Substantial	No
Children & Family Services	Worthington Primary School	Final issued	Substantial	Yes
Children & Family Services	Newbold CE Primary School	Final issued	Substantial	Yes
Children & Family Services	Stathern Primary School	Final issued	Substantial	No

Children & Family Services	Witherley CE Primary School	Final issued	Substantial	Yes
Children & Family Services	Burton-on-the-Wolds Primary School	Final issued	Substantial	No
Children & Family Services	Hose CE Primary School	Draft issued	Substantial	Yes
Children & Family Services	School Websites – Publishing Obligations	Final Issued	Substantial	No
Consolidated Risk	Cyber Security Audit	Final Issued	Substantial	No
Consolidated Risk	Third Party Access and Monitoring	Review Stage to be completed by 21/5/24	TBC	TBC
Consolidated Risk	Decommissioning of Applications and Servers	Testing Stage to be completed by 31/5/24	TBC	TBC
Consolidated Risk	Data Protection Audit	Testing Draft report estimated 31/5/24	TBC	TBC
Consolidated Risk	Fusion – Internet Expenses	Extended Testing Draft report estimated 31/5/24	TBC	TBC

Consolidated Risk	P-cards usage	Final Issued	Substantial	No
Consolidated Risk	Key feeder systems – Accounts payable	Extended Testing Draft report estimated 31/5/24	TBC	TBC
Consolidated Risk	Publishing Obligations under the Local Government Transparency Code	Draft report estimated 31/5/24	TBC	TBC
Consolidated Risk	Disclosure and Barring Scheme Checking	Draft issued	Substantial	No
Consolidated Risk	Maintained Schools Payroll transition to third party	Stage 2 testing Draft report estimated 30/6/24	N/A	No
Consolidated Risk	Zouch Bridge Replacement – f/u recommendations	Draft report estimated 30/6/24	TBC	No
Consolidated Risk	Business Travel Documents	Second Draft being compiled. Draft report estimated 31/5/24	TBC	TBC
Consolidated Risk	Annual Performance Review (APR) Compliance	Draft Issued	TBC	TBC
Consolidated Risk	Payments over £500 Reporting	Draft issued	Substantial	No
Consolidated Risk	Travel & Subsistence - Approvals Hierarchy	Extended Testing Draft report estimated 31/5/24	TBC	TBC

Consolidated Risk	Escalated Financial Controls	Draft Issued	TBC	TBC
Corporate Resources	Management of Commercial Estate	Audit Scoped Draft report estimated 30 June 2024.	TBC	TBC
Environment & Transport	Disclosure and Barring Scheme Checking – Transport Services	Draft recommendations issued. Draft report estimated 17 May 2024.	TBC	TBC
Environment & Transport	Climate Change & Carbon Emissions	Draft report estimated 17 May 2024.	Substantial	No
Public Health	Clinical Governance Arrangements	Draft issued	Substantial	No
Public Health	Health & Wellbeing Board – Governance Arrangement s and Effectiveness of Subgroups	Final issued	Substantial	No
Public Health	Usage of PH Grant	Draft report estimated 31/5/24	TBC	TBC

Consulting audits

Department	Entity	Final report (or position at 19/4
Adults & Communities	Consultancy advice to the department regarding direct payment fraud risk following a significant fraud in a neighbouring authority. Department will be advised to self-assess its practices against the other authority's schedule of where its systems failed, to gain self-assurance that similar vulnerabilities are not relevant here. *Value-added through counter fraud networking enabling the client department to assess risk exposure against the background of a known fraud in a neighbouring authority.*	Advice commenced
Consolidated Risk	National Fraud Initiative 2024/26 – client liaison in readiness for data extraction and upload later in the year. *Value comes two-fold – direct audit savings where errors are noted or positive assurance in those areas without issue.* *Direct savings (*) exceeded £42k in last exercise through identification of deceased pensioners, duplicate payments and VAT errors.* *The NFI process also identifies process weaknesses, e.g. regarding the declaration process for potential conflicts of interest.* *(*) Savings values are extrapolated significantly by the NFI savings tool, e.g. an assumption is made how long a pension overpayment could have continued for, had it have not been identified through NFI.*	Work has commenced in preparation for NFI 2024/26
Consolidated Risk	Self-Assessment against the CIPFA Code of Practice – Managing the Risk of Fraud & Corruption	External Moderation Process Complete.

	Value Added: Ability to demonstrate conformance to the CIPFA Code of Practice.	
Consolidated Risk	ICT Policies and Procedures: - Attendance at Information Assurance Group Meeting (including quarterly updates on Information Governance statistics) - Floor walk (ongoing programme of work) - Input into Information Security Related Breaches (reported to the ICO) as and when required. - Initial Assessment of ISRAs - Assurances on PSN Certification - Liaise with External Auditors regarding IT Key Controls - Information obtained regarding LCC stance on Artificial Intelligence (AI) Policy - Advice provided to Insurance Service on the Cyber Self-Assessment from NIST where completion was required by Insurance Broker - Update on Modern Desktop Programme obtained. EMSS Advisory: - - Provide input and advice in the following areas in conjunction with Nottingham City Council: - o Progress on implementation of recommendations from the IT Health Check for Oracle. Next one has yet to be procured due to ongoing work on email authentication. *Overall Value Added: Proactive timely control and efficiency advice.*	Ongoing

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	Information Security Risk Assessments (ISRA) *Overall Value Added:* • *Ensure appropriate security controls are considered.* • *Ensure there is relevant commitment, approval and sign off.* • *Identification and acceptance of residual risks.*	
Corporate Resources	**CCTV Care Home** - Review of a Care Home CCTV security arrangements	Ongoing (part of a bigger programme of work, the ISRA has been revised and has yet to be signed off)
Corporate Resources	**Generic Devices** - Process for the use of generic devices at LCC (includes use of generic login)	Ongoing - delays due to personnel changes
Corporate Resources	**Wagestream** - Financial Management service to LCC employees	Terminated
Corporate Resources	**Use of Amazon Alexa App -** Leicestershire County Council's Care Technology Service will be using Amazon Alexa devices to assist vulnerable adults.	Signed off 24/10/23
Corporate Resources	**FreshPay -** Cloud based system that will be used by EMSS Payroll to process payroll for people that employ carers.	Signed off 04/01/24
Corporate Resources	**Joy Case Management -** The three Community Delivery are looking to implement a system for managing inbound and outbound referrals, resident customer records (including sensitive level 3 information).	Signed off 17/01/24
Corporate Resources	**Otter Artificial Intelligence -** voice transcription services which can identify who is speaking in a meeting.	Ongoing

Corporate Resources	**Go Assemble -** Software that allows staff to manage volunteers, and allows volunteers to apply for opportunities and record hours done etc.	Signed off 26/01/24
Corporate Resources	**TAPO -** Devices to monitor and record information from homes allowing LCC and carers to better monitor dementia sufferers from the home.	Signed off 8/01/24
Corporate Resources	**My Council Services Digital Platform -** New system (by Abavus), is a forms and case management platform tailored for use within Local Authorities. The initial use case for this solution will be Blue Badges.	Ongoing
Corporate Resources	**Public PC's in Libraries -** Risks and issues associated with libraries PCs	Signed off 13/02/24
Corporate Resources	**CareCubed –** A care costing tool. Already used in Adults, now will be used by Childrens & Family Services department. It assists with provider costs, care delivery and cost to deliver a care package to young children.	Signed off 18/03/24

Grant certifications

Department	Entity	Final report (or position at 19/4	Opinion / Assurance rating	HI Rec'n
Adults & Communities	Multiply Funding Grant No. 31/6530	Certification letter issued	Certified	No
Environment & Transport	Major Road Network Grant No 31-6226	Signed	Certified	No
Environment & Transport	Bus Recovery Grants No 31-6144, 31-6361, 31-6612, 31-6707	Signed	Certified	No

Undertaking or aiding with unplanned 'investigations'

Department	Entity / Details	Outcome by 19/4
Adults & Communities	Advice regarding suspected travel claim fraud.	Advice complete Employee dismissed for gross misconduct following disciplinary hearing.
Children & Family Services	Advice regarding suspected travel claim fraud. Investigation undertaken by department has unearthed further concerns	Advice complete Employee dismissed for gross misconduct following disciplinary hearing
Children & Family Services	Cyber security advice to an academy school subject to an unsuccessful spoofing attempt where the fraudster cloned a valid LCC invoice to the school in an attempt to seek redirection of funds.	Advice complete.
Corporate Resources	Input / advice in response to concerns raised over delays in rent reviews of council properties.	Advice complete.
Environment & Transport	Advice to department regarding correspondence received from a member of the public that could be interpreted as an offer to bribe a public official.	Advice complete.
Environment & Transport	HoIAS reviewed management's decision making on plans to commission an ex-employee to conduct annual school transport planning exercise which could have led to conflicts of interest and potential procurement challenges.	Planned commissioning didn't occur. HoIAS recommendations fed into scope of Assisted Transport Improvement Board chaired by Director

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Other control environment/assurance work

Department	Entity	Final report (or position at 19/4
Governance	Provisional Draft Annual Governance Statement (AGS) 2023-24 in process of being drawn up	Ongoing
Governance	Biennial review of Local Code of Corporate Governance	Ongoing
Governance	Financial Controls Group membership focussing on the following key areas: • Dealing with applications for exception to corporate policy • Monitoring of compliance of policies (through clear metrics) • Review any future changes required to existing policies. • The facilitation of Oracle upgrades and issues arising Other related issues around financial performance (such as level of debts/write-offs)	On-going
Governance	Conflicts of Interest/Declarations Project in conjunction with Director of Law & Governance, Assistant Director Corporate Services & the Head of Procurement and Supply Chain Management in updating policies and creating and testing e-form recording	On going
Risk Management	Property & Occupants Risk Management Group – March meeting	Ongoing
Risk Management	Corporate Risk Register updates – May reporting cycle	Ongoing

Counter Fraud	Continued discussions with Legal Services and Information Governance regarding a legal gateway to data match employees' addresses with a view to identifying any undeclared close personal relationships between employees and feasibly then any undeclared conflicts of interest.	Ongoing. An EIA is being drawn up covering the process.
Counter Fraud	Targeted fraud awareness comms to staff through a variety of means on topics including: • National Fraud Initiative • Money Laundering risk • National Trading Standards 'Stop, Think, Fraud' campaign	Part of an ongoing process of fraud awareness raising
Counter Fraud	Targeted comms to higher risk sections as part of a wider strategy to increase the take-up of the Council's procurement fraud risk e-learning module.	Complete.

Work assisting other functions.

Department	**Entity**	**Position at 19/4**
East Midlands Freeport	HoIAS took on role of Security and Illicit Activity lead. Met with partners' security risk leads and presented to Freeport Security Forum	Ongoing
Environment & Transport	HoIAS appointed to the Assisted Transport Improvement Board set up after investigations to ensure that pressing issues affecting compliance with LCC standards, the effective operation of the service and staff well-being, receive due corporate focus and priority	Ongoing

<u>Training, development and networks attended (and substantial other work undertaken) during the period</u>

External Quality Assessment

Submission of evidence to assessor, clarification meetings and reporting outcome.

Internal Audit Case Management System

Review of position and arranging for extension of contract including preparation for and attendance at the Corporate Procurement Board

Local Authorities Chief Auditors Network

- Regular attendance at meetings by Head of IAS and Audit Managers where appropriate

Midlands Counties Heads of Internal Audit Groups

- ICT Audit Sub-Group
  - MCCIAG IT Subgroup meeting held 19th January 2024
  - Set up of a shared Teams area for all members through the Staffordshire County Council Teams account.
  - Inputs into IT Points of Practice:
    - Third Party Access Monitoring (Raised by LCC)

- Fraud Sub-Group
  - No meeting this period, although 'soft' networking opportunities exist via info sharing message board/platform.

Midlands Contract Audit Group

- No meeting this period

Institute of Internal Auditors (IIA)

- Institute Drop-in Clinics – recruitment and retention

- IIA Midlands Regional Committee

- IIA Local Authority Forum – impact of new global standards; survey on the state of LG Internal Audit

Other IT Audit Training: -

- None this period

CIPFA Better Governance Forum (and LGA)

- CIPFA Webinars
  - Governance Updates for Local Authorities
  - New Public Procurement Rules
  - Climate Change and Corruption

East Midlands Risk Management Group

- February meeting - Financial Resilience of Local Authorities & Corporate Impact and Likelihood Criteria

Other training & development

- CIFAS Failure to Prevent Webinar
- Webinars – How to Thrive in a Hybrid World (Maximising Productivity) & How to Lead a Hybrid Team
- Smarter Working Workshop
- Anxiety Awareness; Attendance Management; Mental Health First Aider Refresher and Unconscious Bias Training

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