

**Summary of Internal Audit Service work supporting the HoIAS opinion 2018-19****Assurance audits**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 26/4/19)</u></b>	<b><u>Opinion</u></b>	<b><u>HI Rec'n</u></b>
Adults & Communities	Alerts to Care Packages	18-Apr-18	Substantial	No
Adults & Communities	Area office safes – security/contents - procedures	18-Apr-19	Partial	Yes
Adults & Communities	Managing finances of vulnerable people	Draft pending	TBC	TBC
Children & Family Services	Placements Budget (LAC Action Plan)	3-Aug-18	Substantial	No
Children & Family Services	Wymeswold CE Primary School	27-Apr-18	Substantial	No
Children & Family Services	Woodstone Community Primary School	4-May-18	Substantial	No
Children & Family Services	Thurlaston Primary School	3-May-18	Substantial	No
Children & Family Services	Heather Primary School	11-May-18	Substantial	No
Children & Family Services	Oxley Primary School	25-May-18	Substantial	No
Children & Family Services	Foxton Primary School	29-Jun-18	Substantial	No
Children & Family Services	Scalford CE Primary School	6-Jul-18	Substantial	No
Children & Family Services	Warren Hills Nursery	23-Oct-18	Substantial	No
Children & Family Services	The Hall School	26-Oct-18	Substantial	No

Children & Family Services	Sketchley Hill Primary School	13-Nov-18	Substantial	No
Children & Family Services	Thistly Meadow Primary School	15-Nov-18	Substantial	No
Children & Family Services	Westfield Junior School	23-Nov-18	Substantial	No
Children & Family Services	Swithland St Leonard's CE Primary School	29-Nov-18	Substantial	No
Children & Family Services	Wigston Menphys Nursery School	28-Nov-18	Substantial	No
Children & Family Services	Cossington CE Primary School	11-Jan-19	Partial	Yes
Children & Family Services	St Botolphs CE Primary School	6-Dec-18	Substantial	No
Children & Family Services	Desford Community Primary School	14-Dec-18	Substantial	No
Children & Family Services	Woodcote Primary School	27-Feb-19	Substantial	No
Children & Family Services	Sketchley Hill Menphys Nursery	12-Mar-19	Substantial	No
Children & Family Services	Griffydham Primary School	7-Mar-19	Substantial	No
Children & Family Services	Newlands Community Primary School	27-Mar-19	Substantial	No
Consolidated Risk	Aged Debt Management	12-Jun-18	Substantial	No
Consolidated Risk	Faster Payments	23-Apr-18	Substantial	No
Consolidated Risk	Request For Payment Procedures	07-Aug-18	Substantial	No
Consolidated Risk	Data Quality - Card Access	10-Oct-18	Substantial	No
Consolidated Risk	Key ICT Controls (2017-18 completion)	06-Aug-18	Substantial	No

Consolidated Risk	Key ICT Controls (2018-19)	23-Apr-19	Substantial	No
Consolidated Risk	Counter Fraud – Travel Claims	18-Sept-18	Substantial	No
Consolidated Risk	Counter Fraud - Corporate Induction Process	04-Mar-19	Substantial	No
Consolidated Risk	Counter Fraud – Employ’t Social Care Professionals	27-Feb-19	Substantial	No
Consolidated Risk	Counter Fraud - Imprest Accounts	11-Apr-19	Substantial	No
Consolidated Risk	Counter Fraud – Supplier VAT Number Validation	27-Feb-19	Full	No
Consolidated Risk	Counter Fraud - Gifts and Hospitality Registers	Draft pending	TBC	TBC
Consolidated Risk	Counter Fraud – Overtime	W-I-P	TBC	TBC
Consolidated Risk	(Serious & Organised Crime) Counter Fraud - Due Diligence Process - Leasing of LCC Industrial Units and other Commercial Properties	26-Apr-19	Substantial	No
Consolidated Risk	(Serious & Organised Crime) Counter Fraud – Taxi contracts	Draft pending	TBC	TBC
Consolidated Risk	(Serious & Organised Crime) Counter Fraud – Data washing (with Police)	W-I-P	TBC	TBC
Consolidated Risk	Windows 10 Project	25-Mar-19	Substantial	No
Consolidated Risk	Information security incident management	Draft pending	TBC	TBC
Consolidated Risk	Payments made using ‘generic’ element	Draft pending	TBC	TBC

Consolidated Risk	Income remittance reconciliation	Draft pending	TBC	TBC
Corporate Resources	WAN Replacement Project - Implementation Stage	30-Jun-18	Substantial	No
Corporate Resources	Leicester-Shire School Music Service	13-Feb-19	Partial	Yes
Corporate Resources	Property contract awards	28-Feb-19	Partial	Yes
Corporate Resources	Treasury Management	1-Mar-19	Substantial	No
Environment & Transport	Vehicle fleet – motor insurance database	6-Jul-18	Substantial	No
Environment & Transport	Recycling & household waste sites – income	Draft pending	TBC	TBC
Public Health	Clinical Governance Framework	8-May-18	Partial	Yes
Public Health	Usage of Grant	11-May-18	Full	No
Public Health	Residential Rehabilitation Service	16-Apr-19	Partial	Yes
Public Health	Re-Commissioning of Sexual Health Services	8-Feb-19	Substantial	No

**Consulting audits**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 26/4/19)</u></b>
Consolidated Risk	Information Security Risk Assessments – 28 x advisory/commentary on higher importance risk assessments	Complete
Consolidated Risk	GDPR Readiness – part 2	Complete
Consolidated Risk	Risk management related advice on Local Pension Board and Bradgate Park Trust	Complete
Corporate Resources	Fit for the future (Oracle replacement project) - working with Nottingham City Council internal auditors to avoid any duplication of work. Continue to liaise with NCC on any key risks coming out from the FFtF workshops that impact on LCC systems and processes. 5 ISRAs are due. The first on Data Migration has been reviewed and comments provided to the ICT Work stream Lead.	Ongoing
Corporate Resources	Advice to Corporate HR regarding M-Star contract, specifically the avoidance of penalty fees when agency staff move from temporary to permanent positions.	Concluded – no formal report
Corporate Resources	Attendance at Information Assurance Group and IT Security Controls Groups; 2 x Advisory; 1 x IDEA work for Pensions; Review of 15 x Policies and Procedures (mainly due to GDPR changes): also; <ul style="list-style-type: none"> <li>• Advisory on the replacement of the current penetration test provider</li> <li>• Current issues being identified from the ISRA process, information provided to the Data Protection Officer</li> </ul>	Ongoing

	<ul style="list-style-type: none"> <li>• Outcome and results of the LGA Cyber Security stocktake and way forward</li> <li>• Advisory re replacement of GCSx</li> </ul>	
Consolidated Risk	Wide Area Network – control advice	Ongoing
Corporate Resources	Follow up External Audit ISA260 Report 2017/18	Complete
Consolidated Risk	PSN - In March 2019, LCC obtained its PSN certificate valid until April 2020. Advice has been given by Internal Audit through the PSN working Group.	Ongoing

**Investigations**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Outcome</u></b>
Adults & Communities	Irregular practice for service user bank accounts.	No funds stolen. Resigned
Adults & Communities	Accusations by relative that the funds of a service user in residential care were being misused	Care home visited. No evidence to support
Chief Executive	Evidence of claiming single persons discount whilst co-habiting	Passed to council tax authority
EMSS	Academy email hacked; bank coordinates changed on a payment form by an unauthorised person, which was then sent to EMSS for a payment which was made.	Reported to Action Fraud.
Environment & Transport	Misuse of travel pass by a service users family member	Passed on to issuing LA
Corporate Resources	Suspected 'false' invoicing	Unproved but re-training
Environment & Transport	Staff theft of waste received at LCC waste sites.	Combination of staff resignations, dismissals and final warnings issued (5 staff in total).
Corporate Resources	Deceased pensioner – forged life certificate	Reported to Police but because overseas (NZ) no action – amount (£3.5K) written off

**Other control environment/assurance work**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 26/4/19)</u></b>
Adults & Communities	Personal Property Working Group	Ongoing
Adults & Communities	Disabled Facilities Grant	Complete
Children & Family Services	Supporting Families Claim (August 2018)	Complete
Children & Family Services	Supporting Families – assist preparation for and review external audit	Complete
Consolidated Risk	Counter Fraud <ul style="list-style-type: none"> <li>• planning for NFI 2018-19</li> <li>• progressing blue badge amnesty campaign</li> <li>• blue badge investigations in conjunction with Leicester City Council</li> <li>• publishing requirements under the Local Government Transparency Code</li> <li>• CIPFA fraud and corruption tracker (annual survey),</li> <li>• write new tax evasion policy and revision of anti-fraud policies and procedures and fraud risk assessment ;</li> <li>• contact Police for serious and organised crime work</li> <li>• arranged comms for International Fraud Awareness Week</li> <li>• attended Police fraud training</li> <li>• meeting with DCLG procurement fraud lead</li> </ul>	Ongoing
Consolidated Risk	Completion of 'inquiries' forms to assist the annual audit of the Council's financial statements & brief Chair of Corporate Governance Committee	Complete
Consolidated Risk	Property & Occupants Risk Mgt Group – 11 meetings; Annual Report	Ongoing

Consolidated Risk	External Audit requirements – provision of narrative for 2017/18 Financial Statements on governance and risk related areas	Complete
Consolidated Risk	Annual Governance Statement 2017-18:and 2018-19 <ul style="list-style-type: none"> <li>• Update and issue Departmental and Corporate guidance;</li> <li>• Collate responses from Departments, further challenges and comments from Chief Officers;</li> <li>• Compilation of draft and final AGS</li> </ul>	Complete
Consolidated Risk	Consultation, review, and approval of the Risk Management Strategy and Policy	Complete
Consolidated Risk	Re-establishment of the Corporate Risk Management Group and 3 x meetings	Meeting in May and ongoing (2 meetings scheduled)
Consolidated Risk	Work with Business Intelligence – Performance Team to refine and reformat excel risk register reports for preparation of Tableau Dashboards for Corporate and Departmental Risk Registers	Complete
Consolidated Risk	Provision of ongoing risk management training to new Departmental Risk Champions and Senior Officers on specific risk areas	Ongoing
Consolidated Risk	Development of risk management pages for SharePoint	Ongoing
Consolidated Risk	Attendance at East Midlands Region Risk Management Group (2x) and share risk management related information with Group Members	Ongoing
Consolidated Risk	Welfare Reform Risk: Meeting held with Departmental Risk Champions (June) to share the information produced by Chief Executive (Policy Team) with a view to : <ul style="list-style-type: none"> <li>• raise awareness of welfare reform risks;</li> </ul>	Complete

	<ul style="list-style-type: none"> <li>Officers to consider impacts on their individual departments.</li> </ul>	
Consolidated Risk	NFI 2018-19 Data download completed	Complete
Consolidated Risk	National Fraud Initiative Reports distributed to departmental contacts	Ongoing
Consolidated Risk	Reporting Fraud – Local Government Transparency Code – publish 30 April	Complete.
Corporate Resources	Carbon Reduction Targets – note energy efficiency improvements are reducing consumption which reduces charges	Signed off 11-07-18
Environment & Transport	Grant Reviews & Certifications: <ul style="list-style-type: none"> <li>Integrated Transport, Highway Maintenance, Pothole Action Fund and National Productivity Incentive Fund</li> <li>Pothole Fund additional grant</li> <li>Flood Resilience Funding</li> <li>Bus Service Operators Grant</li> </ul>	Complete
Environment & Transport	Assistance with quarterly stock checks (4 of 4 complete)	Complete

### Work assisting other functions

<u>Department</u>	<u>Entity</u>	<u>Position</u>
Adults & Communities	Following a formal complaint, Audit Manager appointed as Decision Maker.	Staff member resigned.
Corporate Resources	An Audit Manager assisted with interviews within Strategic Finance	Staff appointed.
Corporate Resources	Assistance with insurance investigations	Ongoing

**Training, development and networks attended during (mid October 2018 to 31 March 2019)**

## CIPFA Better Governance Forum

- Professional internal audit standards - Role of the HoIAS; Annual reports and the HoIAS opinion; widening the scope of internal audit
- Auditing culture & ethics; financial resilience; cyber risks; projects and efficiencies in audit planning
- Governance – role of the leadership team and audit committee; LEPs and financial resilience
- Ethical standards and governance; EA perspective on governance; Review of AGS and local codes and LA governance (NAO)

## Networks

- National/Midlands HoIAS groups – pension pooling; risk appetite; use of data analytics; provide input to the NAO study on LA governance and accountability; procurement fraud; GDPR compliance; forming the annual HoIAS opinion
- Contract audit group – including Public Health contracts
- Information technology audit group – including GDPR position; use of data analytics; payment card industry related controls
- Local Audit Quality Forum – practitioners including EA's guidance to risks and assurances for financial resilience and sustainability

## Institute of Internal Auditors – ICT Audit update

- Emerging Technologies; Operational Resilience; Cyber Resilience; 3rd Party Assurances and Digital Transformation

## CIPFA Data Analytics for Fraud

- Current risks within the Counter Fraud Strategy; Understanding the power of data; Approaches to using Data Analytics; Understanding the use of technology in Data Analysis and Data cleansing and data sharing

## Leicestershire Police - fraud and cyber protection

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