

**Summary of Internal Audit Service work supporting the HoIAS opinion 2019-20**

**Assurance audits**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 30/4/20)</u></b>	<b><u>Opinion</u></b>	<b><u>HI Rec'n</u></b>
Consolidated Risk	Data Washing of Procurement Data (Serious & Organised Crime)	Complete	Full	No
Adults & Communities	Learning Disabilities – Transitions from children’s complex care to adults	Complete	Substantial	No
Adults & Communities	Residents' Money - Managing the Finances of Vulnerable People	Complete	Substantial	No
Adults & Communities	Target Operating Model – Phase One	Complete	Substantial	No
Children & Family Services	All Saints C of E Primary School	Complete	Substantial	No
Children & Family Services	Long Whatton C of E Primary School	Complete	Substantial	No
Children & Family Services	Orchard Community Primary School	Complete	Substantial	No
Children & Family Services	Warren Hills Community Primary School	Complete	Substantial	No
Children & Family Services	Cossington Primary School	Complete	Substantial	No
Children & Family Services	Latimer Primary School	Complete	Substantial	No
Children & Family Services	Hemington Primary School	Complete	Substantial	No

Children & Family Services	Snarestone Primary School	Complete	Substantial	No
Children & Family Services	Burbage CE Junior School	Complete	Substantial	No
Children & Family Services	St Cuthbert's CE Primary School	Complete	Substantial	No
Children & Family Services	Highgate Community Primary School	Complete	Substantial	No
Children & Family Services	Hugglescote Community Primary School	Complete	Substantial	No
Children & Family Services	School Admissions	Complete	Substantial	No
Children & Family Services	St John the Baptist CE Primary School	Complete	Substantial	No
Consolidated Risk	Data Washing of Procurement Data	Complete	Substantial	No
Consolidated Risk	Information Security Incident Management	Complete	Substantial	No
Consolidated Risk	GDPR Implementation	Complete	Substantial	No
Consolidated Risk	Key ICT Controls 18/19	Complete	Substantial	No
Consolidated Risk	Counter Fraud - Overtime Payments	Complete	Substantial	No
Consolidated Risk	Counter Fraud - Purchase Cards	Complete	Substantial	No
Consolidated Risk	Mandatory Training	Complete	Substantial	No
Consolidated Risk	Subject Access Requests	Complete	Substantial	No
Consolidated Risk	Key Financial Systems – Assurance on the Control Functions	Complete	Substantial	No

Consolidated Risk	Counter Fraud – Card Access System	Complete	Substantial	No
Corporate Resources	Treasury Management and Investments	Complete	Substantial	No
Environment & Transport	Re-cycling & Household Waste Sites - Income	Complete	Substantial	No
Public Health	Effectiveness of Programme Delivery Team	Complete	Substantial	No
Adults & Communities	Fee Review Implementation – Residential Care	Complete	Partial	Yes
Children & Family Services	Burbage CE Infant School	Complete	Partial	Yes
Children & Family Services	Early Years Funding	Complete	Partial	Yes
Consolidated Risk	Information Security Awareness and Training	Complete	Partial	Yes
Consolidated Risk	Records Management Audit	Complete	Partial	Yes
Children & Family Services	Payment by Results Claims for Supporting Leicestershire Families (SLF) – <b>4x claims</b> audited	Complete	Certified	No
Environment & Transport	Grant – Local Transport Capital Block Funding (Integrated Transport & Highway Maintenance)	Complete	Certified	No
Environment & Transport	Grant - National Productivity Investment Fund-Hinckley Hub	Complete	Certified	No
Environment & Transport	Grant - Highways Maintenance Additional Funding	Complete	Certified	No
Environment & Transport	Bus Service Operators' Grant (BSOG)	Complete	Certified	No
Consolidated Risk	ICT External Hosting	Draft issued	Awaiting client response	TBA
Consolidated Risk	Rights of Audit in Procurement Contracts	Draft issued	Awaiting client	TBA

			response	
Consolidated Risk	Counter Fraud – Gifts and Hospitality Registers	Draft issued	Awaiting client response	TBA
Consolidated Risk	Faster Payments	Draft Pending	TBA	TBA
Consolidated Risk	Request for Payment Procedures	Draft Pending	TBA	TBA
Consolidated Risk	Request for Invoice Procedures	Draft Pending	TBA	TBA

**Consulting audits**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Position at 30/4/20)</u></b>
Adults & Communities	Advice to the protection of service users' property working party	Ongoing
Adults & Communities	Co-ordination of the Council's approach to evaluating the benefits of using CIFAS <sup>1</sup> Protecting the Vulnerable (PtV) service to further safeguard, financially, service users without mental capacity for whom the Council holds appointeeship or deputyship.  <sup>1</sup> CIFAS - a not-for-profit fraud prevention membership organisation	Complete
Chief Executives	Coroners	Awaiting client response to draft report
Consolidated Risk	Payments made using a generic element code	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
Consolidated Risk	Tethering – linking a lap top to a mobile phone for internet	Complete
Consolidated Risk	Supplier Code of Conduct <ul style="list-style-type: none"> <li>- review documentation and processes</li> <li>- review the update of the contract register which will lead to targeted engagement with suppliers.</li> </ul>	Awaiting client response to draft report
Consolidated Risk	Continue to represent the County Council on the Audit Committee of the East Midlands Public Services Network	Ongoing

Corporate Resources	ISRA - Eventbrite (Live Solution)	Complete
Corporate Resources	ISRA Notify.Gov – Blue Badge Service	Complete
Corporate Resources	ISRA – The Big Word (Language Services)	Complete
Corporate Resources	ISRA – Multi-Functional Device and Print Management Software	Complete
Corporate Resources	ISRA – Caseware IDEA (data extraction and analysis tool)	Complete
Corporate Resources	ISRA – FirmStep Reporting	Complete
Corporate Resources	ISRA – FirmStep Replacement CRM	Complete
Corporate Resources	ISRA – Speed Admin (Music Services Management System)	Complete
Corporate Resources	ISRA – Body Worn Cameras (Reveal Media)	Complete
Corporate Resources	ISRA – Thornton Hope Debt Collection	Complete
Corporate Resources	ISRA – BYOP and O365 Applications	Complete
Corporate Resources	ISRA - Exchange 2016/Hybrid	Awaiting final sign off
Corporate Resources	ISRA – Evo Claim Insurance System	Awaiting final sign off
Corporate Resources	ISRA – HTTPS Scanning	Awaiting final sign off
Corporate Resources	ISRA - Ulysses (UDMS) Scheduling and Connected Care Mobile Solution	Ongoing
Corporate Resources	Country Parks – Cash Collection Car Park Income	Complete
Corporate Resources	Review Policies and Procedures: <ul style="list-style-type: none"> <li>• Surveillance Policy</li> </ul>	Complete

	<ul style="list-style-type: none"> <li>• Surveillance Acceptable Use Policy</li> <li>• Buying and installing guidance (Surveillance)</li> <li>• Surveillance requests guidance (internal and external)</li> <li>• Flowz Information Asset register solution.</li> </ul>	
Corporate Resources	<p>Fit for the Future Project</p> <ul style="list-style-type: none"> <li>- Liaise with the Project Team and Nottingham City Council internal auditors</li> <li>- Reviewed Organisational Impact Assessments to determine what impact any process/system changes will have on the Council's control environment</li> <li>- attend monthly Information Security meetings</li> <li>- Meetings with Programme Manager to scope internal audit work in line with the go-live dates</li> <li>- Ad hoc control advice to the Project Team e.g. Approval of Requests for Payments/Requests for Invoices, Credit Memos</li> <li>- on-going work in respect of User Acceptance Testing (financials) and Integration related Information Security Risk Assessments</li> <li>- Ad hoc control advice is given to the Project Team e.g. Audit Trail requirements etc.</li> <li>- Ongoing input into project related ISRAs.</li> </ul>	Ongoing
Corporate Resources	Bomgar Solution – advice given regarding the short-term 'roll-out' of the remote	Complete

	support solution software to School Financial Advisors.	
Corporate Resources	<p>Attendance at the Information Assurance Group</p> <p>Advice provided by ICT Auditor on: -</p> <ul style="list-style-type: none"> <li>- 'Flowz' system for storage of information asset registers</li> <li>- Database Rationalisation</li> <li>- DocuSign (electronic signatures) application</li> </ul> <p>Provide IT Assurances during Covid-19</p>	Complete



**Undertaking or aiding with unplanned ‘investigations’**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Outcome</u></b>
Adults & Communities	Staff member allegedly encouraging pushing service users to use a firm of accountants to manage their money, which the staff member had an interest in.	Not proven but declaration of interest registered.
Adults & Communities	Advice to department surrounding allegations of thefts from SUs in supporting lodging.	Police advised but no further action taken.
Adults & Communities	Review of financial records and provided advice to department surrounding concerns at an independently run community library.	Recommendations for improvement
Children & Family Services	Advise on LCC responsibilities relating to allegations of financial abuse of a vulnerable service user.	No further action required
Children & Family Services	Whistleblowing complaint about a (non-LCC) community centre, but for which LCC does provide some funding in respect of early years provision.	No further action required. Complainant signposted to the prime regulator for the centre, the Charity Commission.
Corporate Resources	Allegations of price rigging in a framework contract	Referred to Competitions & Markets Authority to investigate

**Other control environment/assurance work**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 30/4/20)</u></b>
Governance	Annual Governance Statement 2018/19 <ul style="list-style-type: none"> <li>- finalised for insertion in the Annual Financial Statements</li> <li>- Followed up of development areas identified in the AGS 2018/19 to ensure that action had been taken as agreed.</li> </ul>	Complete
Governance	Local Code of Corporate Governance <ul style="list-style-type: none"> <li>- reviewed and updated</li> <li>- Submitted to Cabinet and Council</li> <li>- Promoted to staff via DMTs by HoIAS &amp; Director of Law and Governance</li> </ul>	Complete
Governance	Annual Governance Statement 2019/20 <ul style="list-style-type: none"> <li>- Review, update and issue Directors' governance self-assessments</li> <li>- Collate results and review for completeness and evaluation</li> </ul>	Complete
Consolidated Risk	Risk management <ul style="list-style-type: none"> <li>- Prepared detailed Risk Management Health Check Action Plan following the consultant's report</li> <li>- Coordinated Corporate Risk Management Group meetings including developing a Collaboration Space</li> </ul>	Complete

	<ul style="list-style-type: none"> <li>- Review/revision of the Risk Management Policy and Strategy</li> <li>- Collation of risk related information from all Departments and preparation of risk management update reports to Chief Officers and Corporate Governance Committee</li> <li>- Updated the Risk Management pages on the Intranet and improved communication of approved Risk Management Policy and Strategy via Managers Digest, Departmental Management Teams.</li> <li>- Initial scoping meetings to develop E Learning Tool for risk management</li> </ul>	
Consolidated Risk	Property & Occupants Risk Management Group – continuing work on fire safety and building and occupants security. Will align with work proposed as part of the workplace and workforce recovery cell.	Ongoing
Consolidated Risk	<p>Counter fraud</p> <ul style="list-style-type: none"> <li>- Coordinated corporate counter fraud comms launched during International Fraud Awareness Week (17<sup>th</sup> to 23<sup>rd</sup> November 2019). This included a poster campaign raising awareness in a number of key areas, e.g. whistleblowing, advice on procurement fraud risk and continued efforts to promote mandatory fraud awareness e-learning. In addition, safe buying on the internet advice was issued to employees as part of our wider ‘good employer’ relations with staff to coincide with Black Friday.</li> <li>- Review/revision of the Fraud Awareness e-learning module.</li> </ul>	Complete

**Work assisting other functions**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Position at 30/4/20</u></b>
Adults & Communities	Provided advice in relation to risk management framework and in particular support the action plan developed to help improve the quality, consistency and effectiveness of risk management in A&C.	Complete
Chief Executives Department	Assisted the update of the Annual Departmental Business Planning Guidance 2021/21 regarding Risk Management.	Complete
Corporate Resources	Work Experience Students (3) – Provided overviews of audit (both internal and external); explained the importance of controls in an organisation and counter fraud work	Complete
Corporate Resources	Assisted at Departmental Management Team workshop to review corporate risks owned by the Department	Complete
Corporate Resources	Advice to Commissioning Support Unit regarding allegations of job-rotation on a framework.	Complete
Corporate Resources	Advice to Human Resources regarding a conflict of interest issue surrounding an employee.	Complete
Corporate Resources	Input to the Business Partner Team (C&FS) regarding: - <ul style="list-style-type: none"> <li>• training sessions proposed for schools in effective financial management;</li> <li>• a 'best practice for schools' finance' document currently underdeveloped</li> </ul>	Complete
Corporate Resources	Review the process for managing high ranking risks by creation of Action Plans – rollout completed in Corporate Resources, and where relevant other Departments to follow.	Complete

Corporate Resources	Advice, including on internal controls (e.g. car park cash collection), health & safety etc. regarding the Council's aspirations to set up weekly running events at Leicestershire's Country Parks.	Complete
Corporate Resources – redeployment of internal audit staff	As part of the Department's covid-19 emergency response, 6 Internal Audit Service staff were redeployed from the end of March/early April to assist critical functions: - <ul style="list-style-type: none"> <li>• Pensions Service – year end; refund contributions; updating records</li> <li>• Adult social care payments - direct payments; deceased notifications; small balance write-offs; residential care deceased/discharged log</li> </ul>	Ongoing
Corporate Resources – IT assurances	IT Assurances during Covid 19 to include controls on redeployment of kit, cyber security arrangements/monitoring, security of agile working, access to systems where staff are being redeployed, use of SCCM, capacity management etc.	Ongoing
Environment & Transport	Assisting with quarterly Highways stores stock check.	Complete
All Departments	Provision of support to all Departmental Management Teams (in conjunction with their assigned risk champions) to review their Tableau results (arising from the Risk Management Health Check) and take necessary actions to make improvements in any areas with the least positive responses, to ensure that the key issues that arose from the internal online risk management survey are addressed.	Complete
All departments	The Internal Audit Service has provided management with reviews of planned (or already implemented by necessity) changes to alternative service delivery methods and provided advice on fraud mitigation, for example: - <ul style="list-style-type: none"> <li>• Review of Business Continuity plans</li> <li>• Communities Fund – risks, controls and proactive counter fraud advice to</li> </ul>	Complete

	<p>the Chief Executive's &amp; Corporate Resources Departments regarding the distribution of emergency grant funding through the newly-established fund</p> <ul style="list-style-type: none"> <li>• E&amp;T (Notice Processing Unit) - confidentiality when working at home</li> <li>• Pension Fund - temporary (and permanent) work arounds re. electronic authorisation rather than 'wet' signatures on payment documents</li> <li>• Scope audit of Schools Facing Exceptional Costs during COVID-19</li> <li>• Advice to the Chief Executive's Department regarding emerging fraud risks coming from Covid-19 that could impact on normal LCC funding channels, e.g. Shire Grant programme.</li> <li>• Dissemination of fraud advice, predominantly regarding Covid-19, to the Communications Team for onward publishing to staff and managers. Informal fraud advice to staff through Yammer and Sharepoint. Ad hoc fraud advice to key areas on key topics, e.g. mandate fraud, supply chain fraud.</li> </ul>	
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**Training, development and networks attended over the period****CIPFA Better Governance Forum**

- Summer Internal Audit Update
- Assurance Over Financial Resilience and Service Sustainability
- Internal Audit Professional Update
- Sustainability & Governance
- Good Governance In Local Government 2020 Professional Update
- Auditing Risk Management, Auditing Digital Services, Oversight of outsourced arrangements and maintaining robust internal controls

**Institute of Internal Auditors – Regional Conference**

- Fraud Leadership & Corporate Culture, Whistleblowing, Using Technology, Audit & Risk Awards, Risk Management Framework for Audit Planning, Data Analytics, High Quality Reporting

**Midlands Counties Heads of Internal Audit Groups****Management Group**

- NAO framework to review programmes; IIA Three Lines of Defence consultation; Third party risks; CIPFA statement on the role of the HoIAS in the public sector; DfE Transparency in maintained schools consultation; IIA Risk in Focus
- Benchmarking areas of IA focus; the IIA ambition model

- Annual Workplan, High risk areas, IIA guidance on auditing climate strategy

### **Fraud Sub Group**

- Fraud landscape and recent developments, Insider Fraud, International Fraud Awareness Week, National Fraud Initiative, School Case Study, Fighting Fraud & Corruption Locally (guest speaker), Procurement Fraud, Blue Badge Fraud, Investigatory Powers Act, Fraud Risk Assessment, Round-the-table summary of recent cases
- IA facilitated a session on how Leicestershire has used International Fraud Awareness Week in previous years to give important messages to staff regarding fraud. Raising awareness of fraud is a key defence and we discussed our digitised approach to this.
- Fraud Risk Assessment Training – a ‘masterclass’ giving thoughtful insight into how to conduct an effective fraud risk assessment within an authority. This will lead to a change in how we approach our biennial fraud risk assessment at the time of next refresh.

### **ICT Audit Group**

- GDPR and cybersecurity conference
- Governance; Data Analytics – tools & strategies; ICT Audit plans & resources; Emerging issues e.g. Microsoft Apps, use of SharePoint
- Data analytics – formed sub groups (Leicestershire representative leading on financial systems); IT resources; technical ICT incidents especially spoofing
- Points of Practice raised by Leicestershire on other counties approach to IT assurances during Covid-19



**Local Authorities Chief Auditors Network**

- Internal Audit Code of Practice; Obtaining value from contract management; Introduction to the work of CIFAS (a not-for-profit fraud prevention membership organisation)
- The Institute of Internal Auditors Ambition Model; Horizon Scanning including workshop on risks in the audit plan; Commercialism; CIPFA Financial Management Code and the Financial Resilience Index - the role of Internal Audit

**Local Audit Quality Forum (operated by Public Sector Audit Appointments – appoint the Council’s external auditor)**

- Outcomes of (problems with) 2018-19 audits; audit committee developments; training video; revised Code of Audit Practice update

**East Midlands Risk Management Group**

- Attendance at Regional Event

**Mandatory Training**

- SIMS Financial System - All staff involved in school visits took part in a half day introduction to the above package
- Managing Remote Teams Training

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