

**Summary of Internal Audit Service Work – 20 April and 29 August 2024**

**Appendix 2**

**Assurance Audits**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 29/8 – target for completion)</u></b>	<b><u>Opinion/ Assurance rating</u></b>	<b><u>HI Rec'n</u></b>
Adults & Communities	Direct Payments	Draft issued 29/8/24	TBC	TBC
Adults & Communities	Financial Abuse of Vulnerable Service Users	Draft issued 31/8/24	Substantial	No
Children & Family Services	Hose CE Primary School	Final issued	Substantial	Yes
Children & Family Services	Orchard CE Primary School	Final issued	Substantial	Yes
Children & Family Services	Packington CE Primary School	Draft issued	Substantial	Yes
Consolidated Risk	Third Party Access and Monitoring	Review stage Issue by 30/9	TBC	TBC
Consolidated Risk	Decommissioning of Applications and Servers	Review Stage Issue by 30/9	TBC	TBC
Consolidated Risk	Data Protection Audit	Draft issued	Substantial	No

Consolidated Risk	Windows 11 Project	Testing Stage  Position statement by mid Sept.  Final report at end of roll out - later this autumn	TBC	TBC
Consolidated Risk	Key feeder systems – Accounts payable	Draft Issued	Substantial	No
Consolidated Risk	Publishing Obligations under the Local Government Transparency Code	Draft report  Issue by 30/9	TBC	TBC
Consolidated Risk	Disclosure and Barring Scheme Checking	Draft issued	Substantial	No
Consolidated Risk	Maintained Schools Payroll transition to third party	Draft issued	N/A	
Consolidated Risk	Zouch Bridge Replacement – f/u recommendations	Draft report due  Issue by 30/9	TBC	TBC
Consolidated Risk	Business Travel Documents	Draft Issued  Issue by 30/9	TBC	TBC
Consolidated Risk	Annual Performance Review (APR) Compliance	Draft Issued  Issue by 30/9	TBC	TBC
Consolidated Risk	Payments over £500 Reporting	Final Issued	Substantial	No
Consolidated Risk	Travel & Subsistence - Approvals Hierarchy	Draft Issued	TBC	No

		Issue by 30/9		
Consolidated Risk	Escalated Financial Controls	Draft Issued Issue by 30/9	TBC	TBC
Consolidated Risk	Escalated Financial Controls - Travel & Subsistence Draft issue – mid September	Review stage Issue by 30/9	TBC	TBC
Consolidated Risk	Escalated Financial Controls Consultants & Specialist Advisors Draft issue – mid September	Review stage Issue by 30/9	TBC	TBC
Consolidated Risk	Travel & Subsistence Policy – Home to Duty	Review stage Issue by 30/9	TBC	TBC
Consolidated Risk	Coroners Audit (Operational Audit)	Review stage Issue by 30/9	TBC	TBC
Consolidated Risk	Direct Award of Coroner Contract	Review stage Issue by 30/9	TBC	TBC
Consolidated Risk	City Council Coroner & Recharges	Review stage Issue by 30/9	TBC	TBC
Corporate Resources	Management of Commercial Estate	Audit Scoped	TBC	TBC
Environment & Transport	Disclosure and Barring Scheme Checking – Transport Services	Draft issued Issue by 30/9	TBC	TBC

Environment & Transport	Climate Change & Carbon Emissions	Final Issued	Substantial	No
Environment & Transport	Parking Board (Partnership Working with Districts)	Draft issued	Substantial	No
Public Health	Clinical Governance Arrangements	Final issued	Substantial	No
Public Health	Usage of PH Grant	Review stage Issue by 30/9	TBC	TBC
EMSS	Accounts Receivable (No change in opinion)	Final issued July	Moderate	No
EMSS	Accounts Payable (No change in opinion)	Final issued July	Significant	No
EMSS	Payroll & HR (No change in opinion)	Final issued July	Limited	4xHP remain
EMSS	ICT review (Improved from 'Limited')	Final issued July	Moderate	1xHP remain

**Consulting audits**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 29/8)</u></b>
Adults & Communities	<p>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.</p> <p><i>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.</i></p>	Advice concluded
Adults & Communities	<p>Consultancy advice to the department regarding a case of alleged abuse of a service user's finances. Advice includes process review / strengthening to reduce the risk of re-occurrence.</p>	Advice continues
Consolidated Risk	<p>National Fraud Initiative 2024/26 – client liaison in readiness for data extraction and upload later in the year.</p> <p><i>Value comes two-fold – direct audit savings where errors are noted or positive assurance in those areas without issue.</i></p> <p><i>Direct savings (*) exceeded £42k in last exercise through identification of deceased pensioners, duplicate payments and VAT errors.</i></p> <p><i>The NFI process also identifies process weaknesses, e.g. regarding the declaration process for potential conflicts of interest.</i></p> <p><i>(*) 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.</i></p>	Work continues in preparation for NFI 2024/26

Consolidated Risk	<p>ICT Policies and Procedures:</p> <ul style="list-style-type: none"> <li>- Attendance at Information Assurance Group Meeting (including quarterly updates on Information Governance statistics)</li> <li>- Floor walk (ongoing programme of work), last floor walk undertaken 28/05/24, next one planned 05/09/24</li> <li>- Input into Information Security Related Breaches (reported to the ICO) as and when required.</li> <li>- Initial Assessment of ISRAs</li> <li>- Interview with a leading cyber security services company commissioned by LCC for a Cyber Security External Assessment (including providing supporting documentation)</li> <li>- Advice to a school on Cyber Security Training for Governors</li> </ul> <p>EMSS Advisory: -</p> <ul style="list-style-type: none"> <li>- Provide input and advice in the following areas in conjunction with Nottingham City Council: - <ul style="list-style-type: none"> <li>o Progress on implementation of recommendations from the IT Health Check for Oracle. The next Oracle Health Check has recently been undertaken, awaiting output report to determine audit work required.</li> </ul> </li> </ul> <p><i>Overall Value Added: Proactive timely control and efficiency advice.</i></p>	Ongoing
	<p><b>Information Security Risk Assessments (ISRA)</b></p> <p><i>Overall Value Added:</i></p>	

	<ul style="list-style-type: none"> <li>• <i>Ensure appropriate security controls are considered.</i></li> <li>• <i>Ensure there is relevant commitment, approval and sign off.</i></li> </ul> <p><i>Identification and acceptance of residual risks.</i></p>	
Corporate Resources	<b>CCTV Care Home</b> - 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	<b>Generic Devices</b> - Process for the use of generic devices at LCC (includes use of generic login)	ISRA will now be superseded with a new one.
Corporate Resources	<b>Otter Artificial Intelligence</b> - voice transcription services which can identify who is speaking in a meeting.	Signed off 16/05/24
Corporate Resources	<b>My Council Services Digital Platform</b> - New system is a forms and case management platform tailored for use within Local Authorities. The initial use case for this solution will be Blue Badges.	Signed off 19/08/24
Corporate Resources	<b>Modern Desktop Programme</b> - Microsoft Windows 10 becomes out of support in October 2025 as a result a programme of work is underway to upgrade all end user devices to Windows 11, to ensure the Council remains PSN compliant.	Signed off 06/06/24
Corporate Resources	<b>Intune Revised ISRA</b> - Intune is used to manage and control all corporate smartphones, Windows 11 devices and Defender. The ISRA has been updated to reflect changes in device management policies, guidelines by NCSC etc.	Ongoing

Corporate Resources	<b>CCTV at Waste Sites</b> - CCTV is in place at Leicestershire County Council's waste sites for crime detection and prevention as well as ensuring the health and safety of staff and visitors.	Signed off 21/08/24
Corporate Resources	<b>Carebeans</b> - Care Management solution to replace current paper-based system with a cloud-based solution.	Signed off 19/06/24
Corporate Resources	<b>LAS Mobile App</b> - The Liquidlogic mobile app is intended to be an extension of the Liquidlogic System, enabling agile working and access to case information while out of the office using a mobile device such as a tablet.	Signed off 30/07/24
Corporate Resources	<b>C&amp;FS System Decommissioning</b> - Education Systems Replacement programme included a workstream to consider the de-commissioning process for all education systems under the programme umbrella.	Signed off 21/06/24
Corporate Resources	<b>Secure Email Gateway</b> – Internet email threats - LCC sends and receives email to/from the Internet via a Secure Email Gateway (SEG) which has been migrated fully to Cloud, hosted by the supplier in Manchester and London.	Signed off 19/07/24
Corporate Resources	<b>Backup system</b> – ISRA for the backup solution and retention for all LCC data	Ongoing
Corporate Resources	<b>Zurich Insurance UK</b> - Zurich Insurance UK is an insurance company which provides insurance cover for the Academies scheme. Zurich uses a hub portal to upload claim details instead of sending via email.	Signed off 21/08/24

**Grant certifications**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 29/8)</u></b>	<b><u>Opinion / Assurance rating</u></b>	<b><u>HI Rec'n</u></b>
Adults & Communities	The Disabled Facilities Capital Grant (DFG) Determination 2023-24 (31/6672) & Additional Funding 2023-24 (31/6833).	Testing	N/A	N/A
Environment & Transport	Leicestershire CAN-De Project – Q1 Independent Accountant's Report	Certification letter issued	Certified	No
Environment & Transport	Bus Subsidy (Revenue) Grant: Determination 2023/24: No 31/6909	Testing	N/A	N/A
Environment & Transport	Grant Determination for the Local Authority Major Project Grant No: 31/6813	Review stage	N/A	N/A
Environment & Transport	Local Transport Capital Block Funding (Integrated Transport & Highway Maintenance Blocks) Specific Grant Determination (2023/24): No 31/6681  Local Transport Capital Block Funding (Pothole Fund) Specific Grant Determination (2023/24): No 31/6680	Review stage	N/A	N/A
Environment & Transport	Bus Services Operators Grant No 31/7227	Testing	N/A	N/A
Children & Family Service	Basic Need Grant Determination (2023): No 31/6475	Testing	N/A	N/A

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

<b><u>Department</u></b>	<b><u>Entity / Details</u></b>	<b><u>Outcome by 29/8</u></b>
Adults & Communities	Advice to the Director of Law & Governance regarding a complaint from a family member of a deceased service user regarding a debt charged by the Council to the service user’s estate.	Advice complete.
Corporate Resources (EMSS)	Advice to department regarding an employee accessing their own payroll record making amendments to prevent deduction of Student Loan.	Advice complete.  Employee dismissed for gross misconduct following disciplinary hearing.
Environment & Transport	Advice to department following a break in at a Refuse & Household Waste Site.	Advice complete.
Environment & Transport	Advice to department following an approach from Police asking for co-operation regarding Police enquiries into illegal trade waste disposal at a Refuse & Household Waste Site.	Advice complete.
Environment & Transport	Advice to department regarding disciplinary proceedings against a member of staff regarding thefts from a RHWS site.	Advice complete.

**Other control environment/assurance work**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Final report (or position at 29/8)</u></b>
Governance	Draft Annual Governance Statement (AGS) 2023-24 published with draft Statement of Accounts	Complete
Governance	Biennial review of Local Code of Corporate Governance	Complete
Governance	Financial Controls Group membership focussing on the following key areas: <ul style="list-style-type: none"> <li>• Dealing with applications for exception to corporate policy</li> <li>• Monitoring of compliance of policies (through clear metrics)</li> <li>• Review any future changes required to existing policies.</li> <li>• The facilitation of Oracle upgrades and issues arising</li> </ul> Other related issues around financial performance (such as level of debts/write-offs)	Ongoing
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	Ongoing
Risk Management	Property & Occupants Risk Management Group – refresher advice regarding security and access to buildings following recent disorder	Ongoing
Risk Management	Corporate Risk Register updates – September 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.	Discussions have concluded this is not a likely path to go down due to GDPR concerns regarding proportionality.
Counter Fraud	Preliminary discussions with a number of key stakeholders and other local authorities regarding the perceived advantages and disadvantages of subscribing to the CIFAS Internal Threat Database as an additional employee onboarding process designed to prevent insider fraud.	Discussions underway
Counter Fraud	Set-up of both a generic mailbox ( <a href="mailto:fraud@leics.gov.uk">fraud@leics.gov.uk</a> ) and web e-form to open additional avenues for fraud referrals to be made.	Activation in process
Counter Fraud	Biennial refresh of the Council's suite of counter fraud policies.	At final review stage (s.151 officer)
Counter Fraud	Refresh of the Council's fraud information pages on the corporate intranet.	Refresh underway
Counter Fraud	Development of mandatory counter fraud refresher training module (two-yearly).	At final review stage

**Work assisting other functions.**

<b><u>Department</u></b>	<b><u>Entity</u></b>	<b><u>Position at 29/8</u></b>
Environment & Transport	HolIAS attends the Assisted Transport Improvement Board 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

## **Training, development and networks attended (and substantial other work undertaken) during the period**

### **External Quality Assessment**

Action plan to address recommendations

### **Internal Audit Case Management System**

Review of Case Management solution in conjunction with a potentially new risk management system

### **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**

- MCCIAG meeting held 15<sup>th</sup> July. Attended by Audit Manager. Various issues new and emerging issues discussed.
- ICT Audit Sub-Group
  - MCCIAG IT Subgroup meeting held 9<sup>th</sup> August 2024
  - Inputs into IT Points of Practice:
    - Audit Case Management System in use (raised by Leicestershire County Council)
- Fraud Sub-Group
  - No meeting this period, although 'soft' networking opportunities exist via info sharing message board/platform.

### **Institute of Internal Auditors (IIA)**

- How to embed Data Analytics and AI throughout the Internal Audit Lifecycle (online Webinar)

### **Other IT Audit Training: -**

- None this period

### **CIPFA Better Governance Forum (and LGA)**

- CIPFA Webinars

- Internal Audit Standards

### **East Midlands Risk Management Group**

- No meeting this quarter