

**AUDIT COMMITTEE – 18<sup>th</sup> APRIL 2018**

**INTERNAL AUDIT QUARTERLY REPORT 2017/18  
QUARTER ENDED 31<sup>st</sup> MARCH 2018**

**Executive Summary**

1. Internal Audit work undertaken during the period identified one fundamental management action (Para. 4.1).
2. The internal control assurance opinion overall is considered to be adequate, based upon the results of the work undertaken during the quarter (Para. 6.1 / Appendix 1).
3. Of the 42 management actions followed-up, 11 (26%) had been implemented by the original target date, 2 (5%) had been completed after the target date, 8 (19%) had not yet been completed but had revised dates agreed and 21 (50%) were waiting response by Management (Para. 4.4).
4. In relation to the Barnsley MBC audit plan, actual days delivered 106 days or 10% above that planned at the end of the financial year. (Para.7.8 & Appendix 2).
5. Quarterly and full year performance of the function is satisfactory with all PIs meeting or exceeding target levels. (Para 8.2 and 8.3 & Appendices 3 & 4).
6. The annual report will be presented to the June Audit Committee meeting that will summarise all Internal Audit activity and performance for the year for consideration alongside the draft Annual Governance Statement.

**AUDIT COMMITTEE – 18<sup>th</sup> APRIL 2018**

**INTERNAL AUDIT QUARTERLY REPORT 2017/18  
QUARTER ENDED 31<sup>st</sup> MARCH 2018**

**1. Purpose of Report**

- 1.1 This report provides the Audit Committee with a comprehensive overview of the key activities and findings of Internal Audit based on the Service's work covering the whole of the fourth quarter to ensure that the Audit Committee is provided with the most up to date position. This report provides the Audit Committee with information relevant to its responsibilities within its terms of reference (terms of reference items (a), (b), (h), (i) and (k)).
- 1.2 The report covers:-
- i. The issues arising from completed Internal Audit work in the period (section 4 and Appendix 1);
  - ii. Matters that have required investigation (section 5);
  - iii. An opinion on the ongoing overall assurance Internal Audit is able to provide based on the work undertaken regarding the adequacy and effectiveness of the Authority's internal control environment (section 6);
  - iv. Progress on the delivery of the Internal Audit Plan for the period up to the end of the fourth quarter of 2017/18 year (section 7 and Appendix 2);
  - v. Details of Internal Audit's performance for the quarter utilising Performance Indicators will follow due to the timing of the Committee.

**2. Recommendations**

**2.1 It is recommended that the Audit Committee:-**

- i. **consider the issues arising from completed Internal Audit work in the period along with the responses received from management;**
- ii. **note the assurance opinion on the adequacy and effectiveness of the Authority's internal control framework based on the work of Internal Audit in the period to the end of March 2018;**
- iii. **note the progress against the Internal Audit plan for 2017/18 for the period to the end of March 2018; and**
- iv. **Consider the performance of the Internal Audit Service for the fourth quarter.**

### **3. Introduction / Background**

- 3.1 Internal Audit is a key contributor to the assurances the Audit Committee requires regarding the adequacy and effectiveness of the internal control, risk and governance environment of the Authority. That assurance is provided through planned work and responding to urgent matters and changes in priority and risk. It is important that all Internal Audit activities are undertaken with due regard to risk and the risk issues prevailing at the time.
- 3.2 In order to fulfil its responsibilities the Audit Committee needs to be satisfied that the Internal Audit Service is undertaking its work as planned, responding appropriately to client demands, operating to the required professional standards and obtaining the necessary responses from management following Internal Audit work.
- 3.3 In accordance with statutory best practice provided by the Public Sector Internal Audit Standards, there is a requirement that the Head of the Internal Audit function prepares an annual report to the appropriate member body. This requirement is best supported through regular reports during the year, providing, amongst other things, ongoing assurances on the adequacy and effectiveness of the Authority's framework of governance, risk management and control.
- 3.4 For the Authority, the appropriate member body is the Audit Committee.

### **4. Key Issues Arising From Internal Audit Work in the Period Ended 31<sup>st</sup> March 2018**

- 4.1 Internal Audit work undertaken during the period made one fundamental recommendation. In addition fifty significant recommendations were made during the period.
- 4.2 It should be noted, that in the process of agreeing a final report, senior officers respond to specific findings by identifying relevant management actions and agreeing responsible managers and timescales for implementation.

#### **Follow-Up of Report Management Actions**

- 4.3 Table 1A identifies the total number of reports analysed by the assurance opinion given and the total number of management actions agreed.
- 4.4 Table 1B shows the number of management actions followed-up in the quarter. Of the 42 management actions followed-up, 11 (26%) had been implemented by the original target date, 2 (5%) had been completed after the target date, 8 (19%) had not yet been completed but had revised dates agreed and 21 (50%) were waiting response by Management.
- 4.5 Of the 21 waiting management response, members should note that 14 of these relate to Local Authority maintained schools where the action manager is the Head Teacher. These responses have been delayed due to the Easter break. 6 relate to the recent Museums Establishment visits. The responses have been delayed as the manager implementing the actions has now left the Authority. Internal Audit is due to meet the new manager 16<sup>th</sup> April 2018 to review evidence of implementation, with

a view to closing them as completed. The remaining outstanding action is in relation to the Data Retention, Archiving and Disposal review. It is classified as merits attention and is awaiting a revised target date.

- 4.6 Internal Audit continues to get very good co-operation from management including the Senior Management Team (SMT) and as such is able to closely monitor any implications that may arise from a delay in the implementation of management action.
- 4.7 As previously reported to members, Internal Audit is working closely with management to monitor the general position with regards the implementation of management actions and to establish the reasons behind any delays. In an effort to provide more transparency to Executive Directors on the status and progress of their management actions, Internal Audit continues to issue monthly updates. This is in addition to the quarterly performance reports currently presented to SMT.

## **5. Fraud, Investigations and the Corporate Anti-Fraud Team**

- 5.1 The Audit Committee receives a separate report covering the detail of fraud and irregularity investigations undertaken, the preventative work and the general activities and work plan of the Corporate Anti-Fraud Team.
- 5.2 The overall assurance opinion takes into account any control issues arising from investigations or anti-fraud work. No issues are required to be brought to the Committee's attention at this time.

## **6. Head of Internal Audit's Internal Control Assurance Opinion**

- 6.1 Based on the audits reported in the period, an overall **adequate** assurance opinion is considered to be appropriate.
- 6.2 As referred to above, the percentage of audit report management actions not implemented, and requiring a revised implementation date is on a downward trend. However, the number of limited assurance opinions given this quarter is relatively high at 6 from 10 as per appendix 1. This has been considered in assessing the overall assurance opinion. Whilst the number of limited assurance opinions exceed the adequate/substantial opinions, they have largely been given for control weaknesses in areas with a narrow scope, limited transactions and financial value. In addition to this the outcomes from our non assurance opinion work has been considered.
- 6.5 It does however need to be recognised that Internal Audit coverage cannot guarantee to detect all errors, systems or control weaknesses or indeed identify all of the opportunities for improvements in management arrangements that might exist. Accordingly only reasonable and not absolute assurance is given.
- 6.4 The assurance opinion is supported by the knowledge that the underlying framework of financial and other controls, encompassing the Council's Financial Regulations, various codes of practice, procedures and other financial governance arrangements, periodically reviewed by both Internal and External Audit, are appropriate and working satisfactorily.

- 6.5 The general context and impact of the significant savings and service changes that have been implemented arising from Future Council form a core element of Internal Audit work planning to ensure that the control, risk and governance framework remains adequate and effective.

**7. Internal Audit Plan 2017/18 - Progress to the end of March 2018**

- 7.1 Internal Audit utilise a risk-informed approach to planning and delivering its work. This approach seeks to ensure that the key risks facing the Authority are considered and covered, where appropriate, by Internal Audit work. In turn the annual work programme is planned indicatively across the year. This enables quarterly monitoring of progress against planned work and the utilisation of Audit resources.
- 7.2 It is however important to recognise and appreciate that whilst a significant proportion of audit work is planned, there are many 'external' factors that can and do impact on precisely when pieces of work are actually undertaken and completed and indeed their detailed scope. For this reason the monitoring of the audit plan in each quarter can only provide an indicative picture of progress overall. Individual jobs are monitored on a job-by-job and week-by-week basis utilising the audit management system.
- 7.3 Table C contains reference to the audit jobs that are categorised as 'works in progress as at the end of Q4. The progression of these jobs is closely monitored and there will be an updated position presented to Audit Committee Members at the end of Q1 in 2018/19.
- 7.4 Appendix 2 shows the progress of the plan up to the end of March 2018, analysed by Directorate / Service.
- 7.5 Given the risk basis and responsive nature of audit work, the Audit Committee should be particularly interested in the overall deployment of audit resources rather than necessarily where those resources have been spent.
- 7.6 At the beginning of the year provision is made in the allocation of audit resources for unplanned work, through a contingency. As requests for audit work are received, or more time is required for jobs or changes in priorities are identified, time is allocated from this contingency.
- 7.7 The following audits have been deferred, added to or deleted from the audit plan, as agreed in conjunction with management:

<b>Directorate / Service</b>	<b>Audit Assignment Title</b>	<b>Deferred / Added / Deleted</b>
Place	URBACT Project TechTown Phase 2 - Grant Claim Certification	Added - Grant Claim Audit Certification.

- 7.8 In relation to the BMBC audit plan, actual days delivered 106 days or 10% above that planned at the end of the financial year. (Appendix 2).

## **8. Internal Audit Function and Performance**

- 8.1 The Service uses a range of performance indicators to monitor operational efficiency. Quarterly performance of the function is satisfactory and all PI's for the year are either on or exceed target levels. A list of the performance indicators (PIs) for 2017/18 is attached at Appendix 3.
- 8.2 The analysis of the more detailed feedback received following each audit job is shown in Appendix 4. For the fourth quarter of the year, at the point of preparing these report 3 feedbacks sheets (2 relating to the School's Information Governance/Information Security Review and 1 relating to the Baseline Personnel Security Standard Audit). All have been noted as very good or good. All other feedback questionnaires have been chased with the appropriate senior officer, but were not returned.

## **9. Local Area Implications**

- 9.1 There are no Local Area Implications arising from this report.

## **10. Consultations**

- 10.1 All audit reports are discussed with the main auditee. Individual audit reports are provided to the appropriate Executive Director and/or Service Director to apprise him/her of key issues raised and remedial actions agreed.
- 10.2 No specific consultation has been necessary in the preparation of this quarterly report.

## **11. Compatibility with European Convention on Human Rights**

- 11.1 In the conduct of audit work and investigations particularly, Internal Audit operates under the provisions of the Data Protection Act 1998, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

## **12. Reduction of Crime and Disorder**

- 12.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. The control issues arising from audit investigations have been considered to ensure improvements in overall controls are made. Additionally, Internal Audit ensures that in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

## **13. Risk Management Considerations**

- 13.1 The underlying purpose of the work of Internal Audit is to address and advise on key risks facing management and, as such, risk issues are inherent in the body of the report.
- 13.2 The Service's operational risk register includes the following risks which are relevant to this report:

- Inappropriate use of and management of, information to inform and direct service activities;
- Inability to provide a flexible, high performing and innovative service; and
- Poor levels of customer satisfaction.

All of these risks have been assessed and remain within the tolerance of the Service.

An essential element of the control (and on-going) management of these risks is the provision of update reports to the Audit Committee and the assurance this provides.

#### **14. Employee Implications**

- 14.1 There are no employee implications arising from this report.

#### **15. Financial Implications**

- 15.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function are included within the Authority's base budget.

#### **16. Appendices**

- 16.1 Appendix 1 - Key issues arising from completed Internal Audit work and audit activity during the period.  
 Appendix 2 - Internal Audit Plan 2017/18 – Position as at 31<sup>st</sup> March 2018  
 Appendix 3 - Internal Audit Performance Indicators for the Quarter Ended 31<sup>st</sup> March 2018 (to follow)

#### **17. Background Papers**

- 17.1 Various Internal and External Audit reports, files and working papers.

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**Date:** 6<sup>th</sup> April 2018

TABLE A - Completed Audits / Final Reports Issued During the Period Ending 31<sup>st</sup> March 2018

Appendix 1

Service / Directorate / Audit Title	Key Issues	Assurance Opinion	No. of Recs.	Date Report Issued	Other Action
People: Procurement Themed Review Executive Summary	<p>The review concluded that the three maintained schools visited did not hold a copy of the Council's Contract Procedure Rules (CPRs) and therefore were not fully aware of the regulatory and procedural requirements that must be applied and complied with when procuring goods and services. Similarly, officers had no knowledge of the latest DFE Buying for Schools Guidance that provides information on how to plan and run an efficient procurement process. This will have contributed to the areas of non-compliance identified during the testing of a sample of procurements during 2016/17.</p> <p>In addition, a system and / or standardised processes had not been developed and made available to the Officers / schools to facilitate a consistent and efficient approach to procurement and to ensure compliance with regulatory requirements.</p> <p><i>Note – it is the responsibility of a governing body to oversee the control environment of a school. Advice is available from the Council's Procurement Section.</i></p>	<b>Limited</b>	F - 1 S - 9 MA - 3	17.01.2018	To follow-up all report recommendations from the 3 schools visited.
Core: Corporate Risk Management	The key issues raised relate to operational risks and / or corresponding mitigating actions not being reviewed / progressed in a timely manner, which may have consequences for the Council's budget and compromise the ability of Business Units to achieve their objectives.	<b>Adequate</b>	F - 0 S - 3 MA - 6	24.01.2018	To follow-up all report recommendations.
Core: Housing Benefit System Access	<p>The review concluded that there were a significant number of people with incorrect user permissions.</p> <p>During the Internal Audit review a joint project group was created to address this issue. Representatives from Housing Benefits and IT form the group.</p>	<b>Limited</b>	F - 0 S - 4 MA - 1	25.01.2018	To follow-up all report recommendations.
Core – HR: Baseline Personnel Security	The key issues identified from the review relate to the inconsistency between the BPSS Policy and procedures regarding references collected and the period these should cover leading to a lack of clarity over, and hence inconsistent, working practices.	<b>Adequate</b>	F - 0 S - 4 MA - 3	30.01.2018	To follow-up all report recommendations.



Service / Directorate / Audit Title	Key Issues	Assurance Opinion	No. of Recs.	Date Report Issued	Other Action
Standards	<p>BPSS Verification Forms are not being signed by a senior responsible officer as required by the BPSS Guidance as best practice.</p> <p>Council officers are not routinely checking pre-employment documentation collated and saved by Matrix for agency/temporary staff employed.</p> <p>In addition, there is a lack of clarity between HR and the Strategic Procurement Service as to who actively manages the Matrix contract. It is acknowledged that the Strategic Procurement Service is undertaking a Council Wide review of the contract management arrangements and this will include the review of the mentioned contract.</p>				
Place: Receipt and Banking of Income Arrangements – Bereavement Services	The key issues identified from the review relate to Budget Managers needing to regularly monitor the E-Return tracker system to ensure all income not processed to the Authority's accounts is identified and investigated promptly.	<b>Adequate</b>	F - 0 S – 2 MA - 3	06.02.2018	To follow-up all report recommendations
Core Service: Register of Interests	<p>The key issues raised related to a lack of clarity throughout the Council regarding the procedures for employees and Members to declare personal interests and any gifts and hospitality.</p> <p>Both management and employees included in the sample had limited or no knowledge of the processes for declaring any interests. Revised procedures required include ;</p> <ul style="list-style-type: none"> <li>• When declarations are required;</li> <li>• Who the responsible officer is to which declarations should be submitted to / or enquiries made;</li> <li>• Whether there were any compensating controls and appropriate safeguards in place to protect the interests of the employees or Members.</li> </ul>	<b>Limited</b>	F - 0 S – 8 MA - 2	20.02.2018	To follow-up all report recommendations.
Place: Receipt and Banking of	The key issues identified from the review relate to Budget Managers needing to regularly monitor the E-Return tracker system to ensure all income not processed to the Authority's accounts is identified and	<b>Limited</b>	F - 0 S - 7 MA - 5	26.02.2018	To follow-up all report recommendations.

Service / Directorate / Audit Title	Key Issues	Assurance Opinion	No. of Recs.	Date Report Issued	Other Action
Income & Stock Control Arrangements - Museums	<p>investigated promptly.</p> <p>There is a need to develop management information e.g. sales, trends, staffing requirements, discrepancies, anomalies etc., to better inform business decisions.</p> <p>There is a need to enhance the EPOS system security arrangements to allow password control.</p> <p>The responsibility for the stock control system to include at least 2 officers being involved in the procedures, with independent spot checks of stock being performed by management. In addition, enhancements to the procedure are required for the requisition, issuing, movement and transfer of stock between the Central Storage Hub and the Museums are required.</p> <p>The stocktake cycle procedure for reporting discrepancies needs to be reviewed to ensure compliance with the Authority's Financial Regulations.</p>				
Place: Receipt and Banking of Income Arrangements – Registration Services	<p>The key issues identified from the review relate to Budget Managers needing to regularly monitor the E-Return tracker system to ensure all income not processed to the Authority's accounts is identified and investigated promptly.</p> <p>The money safe is not suitable to hold any cash. In addition at the time of the audit visit, the storage arrangements for the safe key were inadequate as all staff members could access the key safe housing all keys.</p> <p>Till functionality is not restricted to management as appropriate. Furthermore, no independent checks of ZZ readings are made by a senior officer to ensure that weekly till readings were accurate.</p>	<b>Limited</b>	F - 0 S - 5 MA - 3	08.03.2018	To follow-up all report recommendations.
People: Schools Financial Value Standards –	The Information Governance / Information Security framework in respect of the management of personal and confidential information in maintained schools is overall operating effectively and demonstrating a number of areas of best practice across the schools sampled.	<b>Adequate</b>	F - 0 S - 2 MA - 5	19.03.2018	To follow-up all report recommendations.

Service / Directorate / Audit Title	Key Issues	Assurance Opinion	No. of Recs.	Date Report Issued	Other Action
Information Governance/ Information Security Themed Review	<p>However, it is apparent that forthcoming changes to data protection legislation (GDPR) mean that increased emphasis will be placed on the robustness of maintained schools arrangements for managing and maintaining records of personal/confidential data and corresponding processing activities. In addition, there is potential for heightened financial sanctions/penalties imposed by the Information Commissioners Office (ICO) for failure to comply.</p> <p>In this regard, development and implementation by schools of an Information Asset Register and Records Management Policy for example will help secure compliance with GDPR requirements and enhance overall information/data security governance arrangements.</p>				
Core: Workforce Development Fund	<p>Following a successful funding bid to Skills for Care, the Council acts as lead partner for the Social Care Development Partnership (South Yorkshire) which is responsible for overseeing the disbursement of WDF funds fairly and equitably.</p> <p>However, it is apparent that partnership arrangements have not been reviewed in the context of the requirements of the Council's Partnership Governance Framework and/or Financial Regulations. This is necessary in order to seek appropriate assurances that the Partnership provides a value added contribution to the Council's objectives/priorities and the relationship is well governed and controlled.</p> <p>Following concerns previously raised by Skills for Care in relation to the funding model operated by the Council, revised arrangements have subsequently been introduced to ensure compliance moving forward.</p> <p>However, further concerns are apparent with regard to the lack of any local operational procedures for governing, administering and/or performance managing the WDF. This likely impacted on and compounded the loss of combined knowledge and experience resulting from the departure of three key staff members within quick succession.</p> <p>There are also some instances of non-compliance with a number of funding body terms and conditions. These include the inability to</p>	<b>Limited</b>	F - 0 S - 6 MA - 6	23.03.2018	To follow-up all report recommendations.

Service / Directorate / Audit Title	Key Issues	Assurance Opinion	No. of Recs.	Date Report Issued	Other Action
	demonstrate that any potential conflicts of interest, on the part of relevant Partnership Board members or officers, are clearly identified and/or recorded as appropriate. Also to ensure that all required WDF claim eligibility documentation is completed consistently by all partner members.				

**KEY – Recommendations -    Fundamental ‘F’        Significant ‘S’        Merits Attention ‘MA’**

**TABLE B - Details and Outcome of Other Audit Activities Not Producing a Specific Assurance Opinion**

Audit Work Completed	Details	Contribution to Assurance
Legal: Charity Accounts	Completion of Charity Commission's Independent Examiner's Report return.	The work contributes to assurance in respect of financial management.
People: Adult Skills and Community Learning	On the back of an Ofsted report stating the Adult Skills and Community Learning Service 'required improvement', Internal Audit undertook a 'check and challenge' exercise to ensure the requirements of the improvement delivery programme were met.	The work contributes to assurance in respect of ensuring management would meet the requirements of the improvement delivery programme.
People: SFVS – School A Procurement Themed Audit Review	<p>The School did not hold a copy of the Council's Contract Procedure Rules (CPRs) and therefore were not fully aware of the regulatory and procedural requirements that must be applied and complied with when undertaking procurement activity. Similarly, officers had no knowledge of the latest DFE Buying for Schools Guidance that provides information on how to plan and run an efficient procurement process.</p> <p>In addition, a system and / or standardised processes had not been developed and made available to the Officers / schools to facilitate a consistent and efficient approach to procurement and to ensure compliance with regulatory requirements.</p> <p>Sample testing of procurement transactions for the period 2016/17 reinforced the above as several areas of non-compliance with the Council's CPRs was identified. In addition, source documentation could not be consistently provided to evidence the procurement process undertaken and decisions made.</p>	The work contributed to assurance in respect of financial management and governance arrangements within the School.
People: Schools Financial Value Standards – School B Information Governance/ Information Security Themed Review	<p>At the time of the audit site visit, the Records Management Policy was not in place, pending approval by School Governors.</p> <p>The school Privacy Notice did not include reference to the use of CCTV images as per the ICO recommendation; therefore, parents and staff are not informed of the purpose of the images or their retention periods.</p> <p>Furthermore, the school did not have in place a programme of IG/IS awareness training for staff; therefore there is a risk that staff may not be aware of their responsibilities regarding information security and data protection.</p>	The work contributed to assurance in respect of financial management and governance arrangements within the School.

Audit Work Completed	Details	Contribution to Assurance
People: Schools Financial Value Standards – School C Information Governance/ Information Security Themed Review	Mobile devices such as laptops, tablet computers and other mobile devices were not subject to encryption, potentially exposing the school to the risk of loss / disclosure of personal / confidential records and data should a mobile device be lost or stolen.	The work contributed to assurance in respect of information governance / information security within the School.
People: Schools Financial Value Standards – School D Information Governance/ Information Security Themed Review	<p>It is acknowledged that the School Data Controllers Certificate lists the nature and type of organisations that the School may share confidential data / information with. However, it is not clear as to how and in what manner data / information should be shared with organisations listed in the Certificate.</p> <p>The Privacy Notice did not include reference to the use of CCTV images as per the ICO recommendation; therefore, parents and staff are not informed of the purpose of the images or their retention periods.</p> <p>Whilst it is acknowledged that the School maintains and regularly reviews its risk register, there was insufficient evidence that information security related risks had been considered and/or included within the risk register.</p>	The work contributed to assurance in respect of information governance / information security within the School.
People: Troubled Families – Quarterly validation	Grant claim validation.	The work contributes to assurance in respect of financial management.

**Table C - Projects and Work In Progress**

<b>Client Sponsor</b>	<b>Title of Audit or Nature of Audit Activity</b>	<b>Key Objective(s)</b>	<b>Status / Comment</b>
People	Assessment & Care – Governance Arrangements	To provide assurance that there are appropriate and effective governance arrangements in place.	Ongoing
Public Health	Public Health Governance Preparation	To provide assurance that the quality control checks and the oversight arrangements provided by the Public Health Quality & Governance Group meets the requirements of the Care Quality Commission	Being Scoped
Core Services	Purchase to Pay (Walk Through)	In order to provide assurance that the control framework in respect of the Purchase to Pay System is operating effectively and efficiently, a walkthrough of the key processes and procedures operating as part of the Purchase to Pay control framework is required.  This forms part of the planned coverage of the Council's core financial systems.	Being Scoped
Core Services	Pay, Employee Admin & Organisational Management	To undertake a risk based review of the adequacy and effectiveness of the Pay, employee Admin & Organisational Management system.	Being Scoped
Core Services	Treasury Management	In order to provide assurance that the control framework in respect of the Treasury Management System is operating effectively and efficiently, a walkthrough of the key processes and procedures operating as part of the Treasury Management control framework is required.  This forms part of the planned coverage of the Council's core financial systems.	Being Scoped
Core Services	Settlement Agreements	To provide an independent opinion, the review will examine the adequacy and effectiveness of the revised settlement agreement arrangements following the cessation of Compromise Agreements under the Employment Rights Act and changes under ACAS.	Ongoing
Place	URBACT Project Techtown Grant Claim Certification	Grant Claim Certification.	Ongoing
Core Services	Main Accounting (Walk Through)	In order to provide that the control framework in respect of the Main Accounting System is operating effectively and efficiently, a walkthrough of the key processes and procedures operating as part of the	Being scoped.

<b>Client Sponsor</b>	<b>Title of Audit or Nature of Audit Activity</b>	<b>Key Objective(s)</b>	<b>Status / Comment</b>
		<p>Main Accounting System control framework is required.</p> <p>This forms part of the planned coverage of the Council's core financial systems.</p>	
Communities	Disabled Facilities Grants	To provide assurance that the policy and procedures in respect of disabled facilities grants are being applied correctly and resources effectively support the anticipated demand.	ToR being agreed. Audit testing to commence shortly.



**Table D – Other Audit Work Undertaken**

<b>Audit Activity</b>	<b>Description</b>
Follow-up of Recommendations	Regular work undertaken to follow-up recommendations made.
Attendance at Steering / Working Group	Information Governance Board, Commissioning, Procurement & Contracts Working Group, Housing Property Repairs & Improvement Board, IT Steering Group, Capital Programme Oversight Board, SharePoint Board, IRM Replacement Project Board
Liaison, Planning and Feedback	Meeting and corresponding with Service and Executive Directors and Heads of Service regarding progress of audit work, future planning and general client liaison.
Advice	General advice to services regarding controls, risk or governance matters. Such work often does not require formal reporting but occasionally will escalate into a specific piece of audit work for which a new job will be created.
Audit Committee Support	Time taken in the preparation of Audit Committee reports, Audit Committee Member training, general support and development.
Corporate Whistleblowing	General time taken in providing advice and the initial consideration of matters raised. Also includes the review of arrangements.
Corporate Matters	Covering time required to meet corporate requirements, i.e. corporate document management, service business continuity and health and safety.

Table 1A

## Summary Activity

## All Audit Reports

Assurance Opinion	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative
Substantial	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Adequate	1 (100%)	1 (100%)	1 (50%)	4 (40%)	7 (50%)
Limited	0 (0%)	0 (0%)	1 (50%)	6 (60%)	7 (50%)
None	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
<b>TOTAL REPORTS</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>14</b>
Other Reports	0	1	1	4	6

## Total Recommendations

Number of Recommendations	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative
Fundamental	0 (0%)	0 (0%)	0 (0%)	1 (1%)	1 (1%)
Significant	1 (17%)	1 (33%)	4 (50%)	50 (57%)	56 (53%)
Merits Attention	5 (83%)	2 (67%)	4 (50%)	37 (42%)	48 (46%)
<b>TOTAL</b>	<b>6</b>	<b>3</b>	<b>8</b>	<b>88</b>	<b>105</b>

Table 1B

## Recommendations Followed-up by Internal Audit

Quarter 4					
Recommendation Classification	Followed-up	Completed by due date	Completed after target date	Not yet completed – Revised date agreed	Awaiting Management Response
Fundamental	1	0	0	0	1
Significant	25	4	2	7	12
Merits Attention	16	7	0	1	8
<b>TOTAL</b>	<b>42</b>	<b>11</b>	<b>2</b>	<b>8</b>	<b>21</b>

## Trend Analysis – Fourth Quarter 2017/18

### Assurance Opinions

	2016/17				2017/18				Cumulative	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016/17	2017/18
	%	%	%	%	%	%	%	%	%	%
Substantial	0	0	14	0	0	0	0	0	6	0
Adequate	75	100	29	50	100	100	50	40	53	50
Limited	25	0	57	50	0	0	50	60	41	50
None	0	0	0	0	0	0	0	0	0	0
	100	100	100	100	100	100	100	100	100	100

### Implementation of Management Actions

	2016/17				2017/18				Cumulative	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016/17	2017/18
	No.	No.	No.	No.	No.	No.	No.	No.	%	%
Completed by target date	1	10	16	6	3	13	4	11	47	31
Completed after original target date	0	15	6	0	3	9	0	2	30	13
Not yet completed – revised date agreed	5	5	3	3	4	17	1	8	23	30
Awaiting Management Response*							5	21		26
Total followed up	6	30	25	9	10	39	10	42	100	100

  

% Completed by Original Target Date (Excl*)	17%	33%	64%	67%	30%	33%	40%	44%		
% Completed at time of Follow-up	17%	83%	88%	67%	60%	56%	40%	31%		

**INTERNAL AUDIT PLAN 2017/18 – Position as at 31<sup>st</sup> March 2018**

<b>Directorate</b>	<b>Original 2017/18 Plan</b>	<b>Revised 2017/18 Plan</b>	<b>Actual Days</b>
Communities	<b>75</b>	77	62
People	<b>98</b>	103	138
Place	<b>63</b>	83	173
Public Health	<b>26</b>	26	1
Core Services	<b>419</b>	421	384
Council Wide	<b>142</b>	142	195
Corporate	<b>167</b>	169	174
Contingency	<b>50</b>	0	0
<b>Barnsley MBC Sub Total</b>	<b>1,040</b>	1,021	1,127

Corporate Anti-Fraud Team	<b>561</b>	562	560
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<b>Sub Total</b>	<b>1,601</b>	1,583	1,687
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<b>External Clients</b>	<b>1,655</b>	1,686	1,449
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<b>Total Chargeable Planned Days</b>	<b>3,256</b>	3,269	3,136
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## INTERNAL AUDIT PERFORMANCE INDICATORS FOR 2017/18 – TO FOLLOW

Ref.	Indicator	Frequency of Report	Target 2017/18	This Period	Year to Date
<b>1.</b>	<b><u>Customer Perspective:</u></b>				
1.1	Percentage of questionnaire received noted “good” or “very good” relating to work concluding with an audit report.	Quarterly	95%	100%	100%
<b>2.</b>	<b><u>Business Process Perspective:</u></b>				
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report. (Quarter 4 9/10 reports)	Quarterly	80%	90%	88%
2.2	Percentage of chargeable time against total available.	Quarterly	73%	72%	73%
2.3	Average number of days lost through sickness per FTE (Cumulative 41.4 days in total)	Quarterly	6 days	1.71 days	2.46 days
<b>3.</b>	<b><u>Continuous Improvement Perspective:</u></b>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
<b>4.</b>	<b><u>Financial Perspective:</u></b>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Yes	Yes

## Performance Indicator Definitions and Supporting Information

PI Ref	Indicator	Comments
1.1	Percentage of favourable auditee questionnaire responses received (noted “good” or “very good”) relating to work concluding with an audit report.	Questionnaires are left at the end on each audit job resulting in a formal report. The questionnaire asks 14 specific questions covering the effectiveness of audit planning, communication, timing and quality of the audit report. An overall assessment is sought as to the overall value of the audit. This is the answer used for this PI. All questionnaires are analysed in detail to ensure all aspects of the audit process are monitored and improved.
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report.	This is an operational PI to ensure the timely issue of final reports. This PI is influenced by the availability of senior Internal Audit staff to clear the report and any issues the Service’s quality assessment process highlights along with the availability of the auditee.
2.2	Percentage of chargeable time against total available.	A key operational measure of the ‘productivity’ of Audit staff taking into account allowances for administration, general management, training and other absences. This PI will reflect the % chargeable time of staff in post, net of vacancies.
2.3	Average number of days lost through sickness per FTE.	A corporate PI to measure the effectiveness of good absence / attendance management.
3.1	Personal development plans for staff completed within the prescribed timetable.	IA place a high level of importance on staff training and continuous development and are committed to ensure all staff have their own training plans derived from the personal development plan process.
4.1	Total Internal Audit costs v budget.	This is a simple overall measure to note whether the Service’s expenditure for the year has been kept within the budget.

## Appendix 4

### Analysis of Internal Audit Feedback Received in the Fourth Quarter of 2017/18

Number of ticks shown against each question

		Very Good	Good	Acceptable	Poor
<b>A</b>	<b>Audit Planning</b>				
1	Relevance of the audit objectives	3	0	0	0
<b>B</b>	<b>Communication</b>				
1	Consultation on scope and objectives of the audit	3	0	0	0
2	Communication during all aspects of the audit	3	0	0	0
3	Helpfulness co-operation of the auditor(s)	3	0	0	0
4	Professionalism of the auditor(s)	3	0	0	0
5	The auditor(s) demonstrated an appreciation of any relevant issues concerning equality and diversity	3	0	0	0
<b>C</b>	<b>Timing</b>				
1	Duration of the audit	2	1	0	0
2	Timeliness of the audit report	2	1	0	0
<b>D</b>	<b>Quality of the audit report</b>				
1	Format and clarity of audit report	3	0	0	0
2	Accuracy of the findings	3	0	0	0
3	Relevance of recommendations	3	0	0	0
4	Overall quality of the report	3	0	0	0
<b>E</b>	<b>Value of the audit</b>				
1	Basic controls assurance the audit has provided	2	1	0	0
2	Added value given beyond basic controls assurance	2	1	0	0
3	<b>Overall value of the audit</b>	2	1	0	0
		<b>100%</b>			
	<b>Total Number of 'ticks' (A – E)</b>	<b>43</b>	<b>5</b>	<b>0</b>	<b>0</b>
	<b>Percentage</b>	<b>90%</b>	<b>10%</b>	<b>0%</b>	<b>0%</b>
		<b>100%</b>			

#### Returned Questionnaires:-

Quarter 1	0
Quarter 2	0
Quarter 3	2
Quarter 4	3
<b>Total</b>	<b>5</b>



**Comments noted on Feedback Sheets:**

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Both Auditors were friendly and expressed the need of the audit which was to help schools with Information Governance / Information Security arrangements. Their approach was amenable. Excellent clarity of the purpose of the piece of work along with the final report.

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Very professional and helpful staff who conducted a thorough audit.

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