



**AUDIT COMMITTEE – 11<sup>th</sup> June 2014**

**INTERNAL AUDIT ANNUAL REPORT 2013/14**

**Executive Summary**

- i. This report provides an opinion on the adequacy and effectiveness of the Authority's internal control arrangements based on the work of Internal Audit during 2013/14 and has been prepared in accordance with the Public Sector Internal Audit Standards (para. 3.1).
- ii. This annual review of the control arrangements has concluded with an adequate assurance opinion (para. 4.1). This has been based upon the completion of an agreed annual programme of risk based audit coverage which has enabled a valid assurance opinion to be provided (para 5.2 & Appendix 1). A significant element of this coverage relates to the audit work covering the Authority's fundamental financial systems (para. 6.11 – 6.13).
- iii. The key issues arising from all completed audits have been reported throughout the year within the Quarterly Internal Audit Reports. (para. 6.15).
- iv. The number of audit reports issued resulting in a negative assurance opinion has decreased. Most of the report findings relate in the main to 'people' issues and the non-compliance regarding the application of the necessary controls and checks. The extent of non-compliance will be monitored throughout the current year along with the negative report assurance opinions. (para. 6.2)
- v. Throughout the year the Audit Committee have been made aware of progress in the implementation of audit report recommendations. The implementation of audit report recommendations has continued to be an issue throughout the year. The monitoring of report recommendations will continue to be a priority for the Service. (para. 6.10)
- vi. A number of matters requiring investigation have been completed throughout the year. No major issues have arisen from these although the control issues identified by Internal Audit have been highlighted for management attention (para 7.1 - 7.7).
- vii. Divisional performance has been satisfactory with most areas of performance exceeding the target. Three performance indicators marginally varied from target. Percentage of feedback received noted as "good" or "very good" from senior managers was slightly below target. The issue of draft reports performance indicator is below target which has been mainly due to delays obtaining details required to finalise an audit report. The actual days allocated to training was also slightly less than target due to a slight delay in the implementation of a professional training programme. (para 8.1 - 8.4).

## **Report of the Head of Internal Audit and Risk Management**

**AUDIT COMMITTEE – 11<sup>TH</sup> JUNE 2014**

### **INTERNAL AUDIT ANNUAL REPORT 2013/14**

#### **1. Purpose of Report**

1.1 This report has been prepared adopting recommended practice contained within the Public Sector Internal Audit Standards (PSIAS) which came into effect on the 1<sup>st</sup> April 2013. These Standards require the Head of Internal Audit (HoIA) to report to the appropriate Member body, the Audit Committee, providing his opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

1.2 In order to comply with these Standards the report provides:-

- i. an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control;
- ii. summary of the audit work undertaken to formulate the opinion;
- iii. details of key control issues identified which can be used to inform the Annual Governance Statement (AGS);
- iv. the extent to which the work of other review or audit bodies has been relied upon;
- v. a comparison of the audit work undertaken with the work that was planned;
- vi. a summary of the performance of the Internal Audit service;
- vii. a statement on conformance with the PSIAS and the results of its quality assurance and improvement programme; and
- viii. a summary of the training and development activities undertaken within the Internal Audit Section

#### **2. Recommendations**

2.1 It is recommended that the Audit Committee:-

- i. considers the opinion provided by the Head of Internal Audit and Risk Management on the adequacy and effectiveness of the Authority's framework of governance, risk management and control;
- ii. notes the key issues arising from the work of Internal Audit in the context of the Annual Governance Statement (AGS) and;
- iii. considers the performance and activities of the Internal Audit function for 2013/14.

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

3.1 In accordance with statutory best practice provided by the PSIAS, there is a requirement that the Head of Internal Audit (HoIA) prepares an annual report to the appropriate member body providing, amongst other things, an opinion

on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control. For the Authority, the appropriate member body is the Audit Committee.

- 3.2 The Accounts and Audit Regulations 2011 require all councils to publish an Annual Governance Statement (AGS) providing an opinion on the overall effectiveness of the Council's internal control and governance framework and detailing action to be taken in respect of any identified weaknesses. The AGS will address all aspects of corporate governance including internal control and risk management arrangements, in addition to financial controls.
- 3.3 This report provides a summary of key issues arising from the work of Internal Audit during 2013/14 which contribute to the overall assurance the HoIA is able to give the Audit Committee.
- 3.4 Although providing an important and significant contribution to the assurances the Audit Committee needs in its consideration of the AGS, this report forms only part of the assurance framework. The Audit Committee will receive the draft Annual Governance Statement for 2013/14 at its meeting scheduled for the 16th July. The Audit Committee are therefore encouraged to consider this annual report in the context of broad controls assurance at its next meeting.

#### **4. Head of Internal Audit's Opinion on the Effectiveness of the Authority's Internal Control Environment**

- 4.1 The Audit Committee has received quarterly reports throughout the audit year. In each of these reports an adequate assurance opinion has been given reflecting an overall satisfactory level of internal controls. Given those assurances I am able to give an overall **adequate** assurance opinion for the year. However, a number of audits did conclude with a limited assurance due to the level of non compliance in the application of the necessary controls and checks. Whilst these issues have not in themselves undermined the overall assurance opinion, additional work will be undertaken during the current year to obtain assurances that control frameworks are appropriate and effective.
- 4.2 Within the quarterly reports a number of key issues were drawn to the Committee's attention. These are summarised below (see paragraph 6.15).
- 4.3 Of greatest significance and influence on this opinion is the result of the core system reviews for the 2013/14 financial year. This work contributes to the opinion on the statutory accounts given by External Audit and is therefore an important ingredient in the overall opinion. Details of the core systems reviews are given in para. 6.11.
- 4.4 Based on the remainder of Internal Audit's work during the year covering general systems, services and policy compliance, I am of the opinion that overall, systems were generally operating soundly, and no fundamental breakdown of controls were detected resulting in material discrepancy. In this regard it is important to stress that where control deficiencies were identified within systems and procedures these have either been resolved with management through separate audit reports and/or correspondence or addressed at the time of audit.

4.5 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 the assurance opinion provided is based on reasonable coverage and cannot be regarded as absolute assurance. Equally, the assurance opinion is supported by the assurances given by the relevant lead officers responsible for the internal control framework as part of the AGS process, that the underlying framework of financial controls, encompassing the Authority'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 within the services of the Authority.

4.6 Internal Audit assurance opinions are classified within a range of four options, two positive and two negative. The table below shows in broad terms the basis for the different opinions applied.

	Level	Control Adequacy	Control Application
<b>POSITIVE OPINIONS</b>	<b>Substantial Assurance</b>	A robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	<b>Adequate Assurance</b>	A sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
<b>NEGATIVE OPINIONS</b>	<b>Limited Assurance</b>	Risk exists of objectives not being achieved due to the absence of key controls in the system.	A significant breakdown in the application of key controls.
	<b>No Assurance</b>	A significant risk exists of objectives not being achieved due to the absence of controls in the system.	A fundamental breakdown in the application of all or most controls.

4.7 Internal Audit seek to work closely as appropriate with other auditors, most significantly these relate to those of External Audit. However, for 2013/14 no work undertaken by these auditors or any other review body has been relied upon in the provision of this annual overall assurance opinion.

## **5. Summary of Internal Audit Work and Coverage 2013/14**

5.1 Internal Audit aim to utilise a risk-based approach to planning its work. This approach seeks to ensure that the key risks facing the Authority are covered where appropriate by Internal Audit work. Internal Audit was able to use the risk registers of services to inform audit coverage. The audit planning process and details of the 2013/14 audit plan were reported to the Audit Committee in the March 2013 meeting.

5.2 The key areas of audit coverage during the year upon which the controls assurance opinion is based are listed below. The Audit Committee has received quarterly reports that incorporate the results of audit work and

management's response on an on-going basis. Appendix 1 provides a summary of the areas covered during 2013/14.

5.3 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. More recently, there has been a notable increase in the number of these adjustments which is indicative of the rapidly changing control environment. Details of audit work which has been deferred, deleted or requests for specific pieces of work have been reported within the quarterly reports.

5.4 Appendix 1 shows by Directorate / Department the areas of Internal Audit coverage during the year. In broad terms the key areas of work undertaken were:-

- Systems based reviews of all the Authority's fundamental financial systems that could have a material impact on the accounts
- Work in support of the Future Council Programme;
- Regulatory visits to schools;
- Systems based / management audit type reviews of services and other systems;
- Corporate governance and general controls assurance work;
- Contract audit and procurement, particularly giving specialist advice;
- A programme of IT audit work;
- Anti-fraud work, fraud detection and responding to allegations of fraud and irregularity via investigations;
- Grant audit work and;
- Advice and consultancy services on a wide range of internal control issues.

5.5 It should be noted that Internal Audit work is variable both in its nature and timing. The risk-based approach ensures the highest priority work is undertaken. As with all plans, the audit plan was determined at particular time (March 2013) utilising information available and has been subject to significant changes in certain areas arising from the Future Council Programme and requests for audit input. The Audit Committee should be assured that within the finite resources available to Internal Audit, the key audit risks identified have either received audit attention during the year or are reflected in the audit plan for 2014/15.

5.6 The position at the end of the fourth quarter for Audit days shows a shortfall of circa 50 days for the year which equates to circa 2% of the original provision and does not jeopardise the ability to provide reasonable coverage and therefore a valid opinion. Due to the flexible nature of the plan this was

constantly monitored and revised with any work that was unable to be resourced being carried over to the current audit year.

5.7 In terms of the overall delivery of planned days, a total of 2,164 days were delivered. Details of the original and revised plan along with how these days were actually spent against each Directorate are shown in Appendix 2.

**6. Summary of Internal Control Issues Arising from Internal Audit work in 2013/14**

6.1 Internal Audit reported on 32 individual reviews of aspects of the Authority's internal control framework during 2012/13. These 32 audits sought to identify, test and review various controls to ensure management were meeting their responsibilities to establish and adhere to appropriate systems of internal control.

6.2 A summary of the assurance opinions given for the 32 reports issued for the year is shown below together with a comparison to 2012/13 and 2011/12.

Assurance Opinion		2013/14*		2012/13		2011/12	
		No.	%	No.	%	No.	%
Positive Opinions	Substantial	8	25	13	41	11	30
	Adequate	20	63	13	41	17	46
Negative Opinions	Limited	4	12	6	18	9	24
	No	0	0	0	0	0	0
<b>TOTAL</b>		<b>32</b>	<b>100</b>	<b>32</b>	<b>100</b>	<b>37</b>	<b>100</b>

\* excludes most core system reports as these have not all been formally issued.

It should be noted that clearly some audit areas have a greater significance and potential impact on the overall assurance opinion, i.e. a small establishment receiving a 'no assurance' opinion will have a negligible impact on the overall opinion compared to say, payroll or Fixed Assets receiving such an opinion. The number of reports issued containing a negative assurance opinion has marginally decreased compared to the previous two years.

6.3 In the majority of cases only relatively minor control issues were identified. In a few audit reviews more significant weaknesses were identified. However in all cases management have been able to respond satisfactorily to remedy or plan to remedy the control weaknesses identified.

6.4 Details of the key issues arising from these reviews have been presented to the Audit Committee in the quarterly reports. These findings have arisen across audit reviews ranging from specific establishments to the major financial systems and as a result of special investigations.

6.5 As is also stated in the quarterly reports it is important to note that the identification of control weaknesses does not necessarily indicate that any loss or inefficiency has actually occurred. Weaknesses indicate an increased potential that losses or inefficiencies could occur.

- 6.6 A major part of Internal Audit's assessment of controls is undertaken through the annual reviews of the core financial systems of the Authority. This work is conducted alongside External Audit who seek to utilise Internal Audit's work to assist in their opinion on the financial systems for their audit of the Accounts.
- 6.7 The core system reviews in relation to 2013/14 have recently been completed although at the time of writing this report, not all final reports have been formally agreed. The timetable for these reviews is once again extremely challenging to coincide with the closure of the accounts, External Audit requirements and Audit Committee dates. It is appropriate to highlight the significant co-operation received from the Business Support Services and Financial Services at a very busy time for them as well. A separate section on the core system reviews is given below.
- 6.8 In relation to specific establishments or other minor systems, controls are tested at a lower level to ensure the detailed operation of systems and procedures, and the use of assets and resources are effective.
- 6.9 In all audits undertaken, where more significant control issues are identified, follow-up action is undertaken to ensure appropriate remedial action has been implemented.
- 6.10 During the year 77 audit report recommendations were followed-up in accordance with the recommendation follow-up protocol. The table below provides details of the findings of this work:-

	2013/14		2012/13	
	Number	%	Number	%
Recommendation Implemented By Due Date	52	68	49	46
Recommendation Implemented after Due Date	13	17	25	23
Recommendation Not implemented by Target / Revised Due Date	12	15	33	31
<b>Total</b>	<b>77</b>	<b>100</b>	<b>107</b>	<b>100</b>

The number of recommendations implemented by the due date during 2013/14 has increased slightly when compared to the previous year. Likewise the number of recommendations not implemented by either the target or revised due date has decreased. Accordingly throughout 2013/14 the Audit Committee have been kept informed of the progress in the implementation of audit report recommendations.

#### Core System Reviews 2012/13

- 6.11 Overall there are 12 systems regarded as core and fundamental to the financial management of the Authority. At the time of compiling this report the core system reports were still in the process of being finalised. However, the assurance opinions are unlikely to change.

The assurance opinions given for each of them are shown in the table below:-

Core System	Assurance Opinion 2013/14	Assurance Opinion 2012/13	Assurance Opinion 2011/12	Assurance Opinion 2010/11
Purchase to Pay	Adequate*	Adequate	Adequate	Adequate
Income	Adequate	Adequate	Substantial	Substantial
Council Tax	Substantial*	Substantial	Substantial	Substantial
Non Domestic Rates	Substantial	Substantial	Substantial	Substantial
Housing Benefits	Substantial	Substantial	Substantial	Substantial
Pay, Employee Admin & Org. Management	Substantial	Adequate	Adequate	Adequate
Fixed Assets	Adequate	Substantial	Adequate	Substantial
Cash Receipting & Banking	Adequate	Adequate	Adequate	Adequate
Main Accounting	Substantial	Substantial	Substantial	Substantial
Housing Rents	Substantial	Substantial	Substantial	Substantial
Treasury Management	Substantial	Substantial	Adequate	Adequate
SAP System Security	Not audited	Not audited	Substantial	Not audited

\* Final report not yet issued

### **Summary**

	No. / %	No. / %	No. / %	No. / %
Substantial Assurance	7 / 64%	7 / 64%	7 / 58%	7 / 64%
Adequate Assurance	4 / 36%	4 / 36%	5 / 42%	4 / 36%
Limited Assurance	0 / 0%	0 / 0%	0 / 0%	0 / 0%
No Assurance	0 / 0%	0 / 0%	0 / 0%	0 / 0%

The approach to core systems work has been agreed with External Audit and the Director of Finance, Property & Information Services. Providing that a positive assurance opinion had been previously reported, the current year's coverage would be limited to the key controls. A negative assurance opinion or adverse follow-up results would give rise to a full audit comprising the key and non key controls. Irrespective of the assurance opinion, a system would be subject to a full audit on a minimum of a three yearly basis.

- 6.12 Overall all core system audits resulted in a positive assurance opinion. The issues raised generally related to the 'people' aspects of the systems in respect of applying the necessary controls and checks rather than the systems themselves. Whilst assurance opinions have remained generally positive over the last few years, the Future Council Programme will result in significant changes to the structure and nature of the Council's control



framework. This will give rise to implications in terms of the effectiveness of control and governance structures and will require careful management in order to maintain continued positive assurances.

- 6.13 In respect of all the recommendations made in the core system reviews, a management response has been given to Internal Audit's satisfaction.

#### Summary of Control Issues

- 6.14 During the year the Audit Committee has received quarterly reports that highlighted key control issues that could potentially undermine the provision of an overall positive assurance opinion for the year. The issues raised during the year related to contracts, procurement and payment processes. Further details are provided as follows:-

- One issue related to the management arrangements in respect of procurement cards.
- One issue related to contract performance management.
- One issue related to the absence of procedures and effective checking, approval and recovery processes.

- 6.15 Whilst these more significant issues have been brought to the Audit Committee's attention during the year, when taken together and with the results of the 2013/14 core system reviews, I am satisfied to provide an adequate assurance opinion. However, particular attention is drawn to the number of control issues impacting upon the effectiveness of the Councils contract and payment systems. In addition, the relatively high number of audit report recommendations which have not been implemented by the agreed target implementation date. These two issues are considered relevant to the preparation of the annual governance statement.

### **7. Matters Requiring Investigation**

- 7.1 During the course of the year, Internal Audit received a total of 16 issues of suspected irregularity ranging from full investigations to minor frauds which have been dealt with by departmental management. On other occasions advice was provided. 8 cases remain in progress into 2014/15.

- 7.2 This number of referrals and their nature represents a small proportion of the workforce and the total number of transactions processed. Whilst Internal Audit relies to a large extent on matters being alerted to them by management, the low number of referrals can be regarded as a positive source of assurance that the control environment of the Authority is currently working. Given the Council's Future Council Programme it will be important to maintain effective anti fraud arrangements and financial stewardship in order to reduce the risk of irregularity and / or fraud throughout a period of significant change.

7.3 The matters raised and investigated can be analysed as follows, together with a comparison to previous years:-

Result of cases	Number 2013/14	Number 2012/13	Number 2011/12	Number 2010/11	Number 2009/10
Employee dismissed	0	1*	1	2	3
Employee resigned prior to disciplinary action being taken	1	2	1	1	4
Police referrals	1*	4	0	2	1
Criminal conviction	0	2	0	0	0
Informal warning given to employee	1	3	0	0	0
Warning issued to employee as a result of disciplinary action.	1	3	3	0	4
No evidence found to support allegations	3	4	4	12	7
No evidence found to support allegations, but recommendations made to improve system controls	0	4	3	4	2
Unable to evidence irregularity. Incident raised with Information Governance as a security incident	0	1	0	0	0
Advice / RIPA authorisations for management action	0	0	0	8	6
Not progressed due to employee being made redundant prior to completion of the investigation	1	1	0	0	0
Payment successfully recovered	0	0	1	0	1
Reduced insurance payout agreement reached as a result of a RIPA surveillance exercise	0	0	1	0	0
Employment Tribunal decision upheld	0	0	0	1	0
Employee reinstated following an appeal	1	0	0	0	0
Fraudulent attempt to alter bank account details	0	0	1	0	0
Ongoing investigations as at 31 <sup>st</sup> March.	7*	4*	13	10	15
Transfer of work from special investigations to corporate audits	0	0	2	0	1
<b>Total</b>	<b>16</b>	<b>29</b>	<b>30</b>	<b>40</b>	<b>43</b>

\* A total of 8 investigations have been carried forward to 2014/15 – 7 are current investigations and an irregularity relating to a former employee is still being investigated by South Yorkshire Police.

7.4 An Annual Fraud Report has been prepared for the Audit Committee's attention which provides more information regarding the anti-fraud work undertaken. To avoid unnecessary duplication this section is kept to a minimum.

7.5 Where system weaknesses have been identified as part of the investigation, Internal Audit have made recommendations to rectify these as appropriate, even where no evidence was found to support allegations. Where appropriate

these reports are followed-up in the same way as other audit reports. Details of completed investigations will be included in the quarterly reports to the Committee.

### **General Points to Note in Respect of Investigations Work**

- 7.6 It is clearly inappropriate for Internal Audit to report on any ongoing investigations as to disclose this information could prejudice the outcome. Details are provided, as above, as cases are finalised. It should also be noted that where issues are investigated and found not to warrant disciplinary action or referral to the Police, details are not publicised.
- 7.7 On the whole the matters investigated remain of a generally relatively minor nature and value. Many involve administrative errors, omissions or anomalies, whilst others represent opportunistic minor thefts and small-scale frauds. However, the Police are informed as a matter of routine where a theft is suspected.

### **National Fraud Initiative**

- 7.8 Internal Audit co-ordinates the Council's involvement in the National Fraud Initiative (NFI), which is the Audit Commission's biennial data matching exercise designed to pick up fraud and error across the public sector.
- 7.9 The Authority's data match exercise has identified the following overpayments as at 27<sup>th</sup> May 2014 from the 2012/13 datamatches:
- Housing Benefit/Council tax Benefit - £3,454;
  - Payroll overpayment - £808.
- 7.10 Due to the success of the 2010/11 data matching exercise, the Benefits and Taxation Service are undertaking additional flexible matching of council tax single person discounts to the electoral roll. This exercise has currently identified £22,447 incorrectly awarded single person discounts. Investigations into further datamatches are ongoing.

## **8. Internal Audit Performance**

- 8.1 The key on-going measure of Internal Audit performance is the level of client satisfaction and the External Auditor's ability to rely on Internal Audit's work. In addition to these measures, the Section uses a range of performance indicators (PIs) to monitor operational efficiency. A full list of the PIs for 2013/14 is attached, also showing a comparison to performance in 2012/13, as Appendix 3 together with a narrative explaining each measure.
- 8.2 Feedback from clients exceeded the target of 95% as 100% of the questionnaires received during the year from clients, regarded the audit as 'very good' or 'good'. A detailed breakdown of all the questionnaires returned is provided as Appendix 4. The feedback obtained from the Senior Management Team has been an annual process. The issues raised giving rise to feedback categorised as 'Acceptable' will be discussed with the responsible Director and any necessary service improvements implemented accordingly.

8.3 The issue of draft reports performance indicator is below target. This has been mainly due to delays obtaining details required to finalise an audit report. Performance measures relating to the follow-up of audit report recommendations have also been adversely affected which has been attributable to management responding and dealing with budget issues and general increase in their workload pressure. The actual days allocated to training was also slightly less than target due to a slight delay in the implementation of a professional training programme.

8.4 On the whole the operational performance measures show a good level of performance for the year under quite difficult circumstances and through a period of significant change. The performance and achievement of the Section for the year continues to reflect the tremendous efforts, commitment and enthusiasm that all Internal Audit staff have shown. A simple measure of this is through the significant number of 'extra' hours and days many staff have worked unpaid.

#### 8.5 Quality Control and Assurance

The Accounts and Audit Regulations 2011 place a requirement for authorities to undertake a review of the effectiveness of the internal audit function. Given the Audit Committee's responsibility to consider this, a separate report has been prepared and is on the agenda for the meeting on 11<sup>th</sup> June 2014.

8.6 The Division has adopted a rigorous internal quality assurance process embedded within its operational procedures which is applied to each individual piece of audit work. In addition, an 'independent' quality control review has been undertaken in respect of four completed audits. The quality control review did not identify any issues.

#### 8.7 Self Assessment against the requirements of the PSIAS:

Although the new standards only came into effect from the 1st April 2013 a self-assessment against the Standards was undertaken in May 2013 reflecting back over 2012/13 to identify any potential gaps in conformance. A further self assessment has been undertaken at the end of the financial year and has been used to inform the compliance programme for 2014/15. The compliance checklist summary is attached as Appendix 5.

The summary checklist highlights that in the majority of areas the function is assessed as 'generally conforms'.

There is partial conformance in the areas of:

- Organisational Independence
- Requirements of the Quality Assurance and Improvement Programme

There is non-conformance in the areas of:

- External Assessments

Where there is partial conformance, in general, the gaps relate to wording or housekeeping issues and where there is non-conformance these relate to procedures that have not yet been established because the Standards did not

come into effect until 1st April 2013.

## **8.8 Staff Training and Development**

In accordance with recommended practice, the Annual Report includes details of the training and development activities undertaken during the year as Appendix 6. Keeping skills fresh and taking on board new skills is essential for Internal Auditors in order to keep pace with changes in governance, technology, legislation and emerging industry best practice. During the year 14 members of staff commenced a professional training programme provided by the Institute of Internal Auditors - a Certificate in Internal Audit and Business Risk. The training is scheduled to be completed December 2014.

## **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 and/or Assistant Director to apprise him/her of key issues raised and remedial actions agreed. No specific consultation has been necessary in the preparation of this annual report.

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

11.1 In the conduct of investigations, Internal Audit operates under the provisions of the Data Protection Act 1998, the Human rights 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. 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 Whilst there are no specific risks emanating as a result of this report there are a range of risk issues worthy of consideration and note.

13.2 During the year, the Division reviewed and revised its operational risk register to ensure all risks to the delivery of the function's objectives were identified and could therefore be managed. This risk register is the subject of regular review in accordance with the corporate process.

13.3 The Audit Committee has received a detailed report on the audit plan including the basis of the plan and the utilisation of risk information. This is a critical aspect of the audit function and seeks to ensure audit resources are

targeted at the areas of the Council's business where the most significant risks have been identified.

- 13.4 There is a risk to the Authority as a whole should the internal audit function not be effective. This would undermine the internal control and governance arrangements of the Authority and fail to provide the Audit Committee with the independent information upon which to base their assurance views upon. The provision of detailed quarterly reports during the year, plus this annual report and the report on the effectiveness of the audit function should act as mitigation in ensuring the Audit Committee is in a position to constantly keep the audit function under review.
- 13.5 There is a risk to the control and governance of the Authority if management fail to implement recommendations. In mitigation Internal Audit has introduced a more rigorous 'follow-up' process to ensure the most significant issues are implemented. This is reported to the Audit Committee within the quarterly and annual reports.

#### **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 and the external audit fees are included within the Authority's base budget.

#### **16. Appendices**

- 16.1 Appendix 1 - Internal Audit Coverage 2013/14  
Appendix 2 - Internal Audit Plan 2013/14  
Appendix 3 - Internal Audit Performance Indicators 2013/14  
Appendix 4 - Summary of Internal Audit Feedback Received in 2013/14  
Appendix 5 - Public Sector Internal Audit Standards – Self Assessment  
Appendix 6 - Internal Audit Training Activity 2013/14

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

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

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**Date: 2nd June 2014**

## INTERNAL AUDIT COVERAGE 2013/14

The table below lists the areas of Audit coverage and work undertaken during 2013/14.

Directorate	Audit Area
Adults & Communities	<ul style="list-style-type: none"> <li>• Blue Badge Anti Fraud Review</li> <li>• Safeguarding Governance Review</li> <li>• Care Package and Payment System CONTROCC (carried forward)</li> <li>• Social Fund Arrangements</li> <li>• Special investigations and anti fraud advice</li> <li>• General controls, contracts and procurement advice</li> </ul>
Children, Young People and Families	<ul style="list-style-type: none"> <li>• Troubled Families</li> <li>• Ofsted Inspection - Evidence</li> <li>• Safer Recruitment</li> <li>• Schools Financial Value Standard and Governance Self Assessment</li> <li>• Primary Schools x 7</li> <li>• Holy Trinity ALC</li> <li>• Newsome Avenue Childrens Home</li> <li>• Briefings / Guidance to Schools</li> <li>• Academies – Audit Work</li> <li>• Barnsley Governors Association</li> <li>• A Special investigations and anti fraud advice</li> <li>• General controls, contracts and procurement advice</li> </ul>
Development, Environment & Culture	<ul style="list-style-type: none"> <li>• South Yorkshire Mining Advisory Service</li> <li>• Taxi Policy</li> <li>• Renewal of PRIP (carried forward)</li> <li>• Drop Crossing Income</li> <li>• Trans Pennine Trail</li> <li>• Dearne Playhouse</li> <li>• Grants: <ul style="list-style-type: none"> <li>Waste Treatment &amp; Disposal</li> <li>Growth Point (Leeds)</li> <li>Growth Point (TSY Sheffield)</li> <li>LTP - Maintenance Block</li> <li>LTP - Integrated Transport Block</li> <li>Strategic Priorities and Intelligence for SCR Businesses</li> <li>HMR Grant</li> </ul> </li> <li>• Special investigations and anti fraud advice</li> <li>• General controls, contracts and procurement advice</li> </ul>

Directorate	Audit Area
Corporate Services	<p><b>Legal and Governance:</b></p> <ul style="list-style-type: none"> <li>• Review of Contract Standing Orders</li> <li>• Area Councils / Future Governance Arrangements (carried forward)</li> <li>• Charity Accounts</li> <li>• Tasker Photographic Trust</li> <li>• Brierley Town Council</li> </ul> <p><b>Human Resources, Performance &amp; Communications:</b></p> <p>Human Resources:</p> <ul style="list-style-type: none"> <li>• Agency Workers</li> <li>• Personal Development Process</li> <li>• HR Policies</li> </ul> <p>Performance:</p> <ul style="list-style-type: none"> <li>• Data Quality</li> <li>• Advice (general, contracts, anti-fraud)</li> </ul> <p>Communications:</p> <ul style="list-style-type: none"> <li>• Social Media Policy</li> </ul> <p><b>Finance, Property &amp; Information Services:</b></p> <p>Finance:</p> <ul style="list-style-type: none"> <li>• Contract Management Arrangements / Commissioning</li> <li>• Core Financial Systems:- <ul style="list-style-type: none"> <li>➢ Purchase to Pay</li> <li>➢ Income</li> <li>➢ Pay and Employee Administration</li> <li>➢ Cash Receipting and Banking</li> <li>➢ Council Tax</li> <li>➢ NDR</li> <li>➢ Fixed Assets</li> <li>➢ Main Accounting</li> <li>➢ Treasury Management</li> <li>➢ Housing Benefits</li> </ul> </li> <li>• SAP User Roles (carried forward)</li> <li>• Corporate Risk Management</li> <li>• Annual Governance Statement Review</li> <li>• Cash Accountability - Themed Audit</li> <li>• Early Payment Scheme</li> <li>• Purchase to Pay Process</li> <li>• Review of Financial Regulations</li> </ul>



Directorate	Audit Area
	<ul style="list-style-type: none"> <li>• Pensions Data</li> <li>• Anti Fraud Publicity</li> <li>• Fraud Risk Self Assessments</li> <li>• Review of Anti Fraud Documents</li> <li>• National Fraud Initiative</li> </ul> <p>Property:</p> <ul style="list-style-type: none"> <li>• Final Account Process Review (carried forward)</li> <li>• Yortender</li> <li>• Norfolk Property Services - Performance Review</li> <li>• Norfolk Property Services - Contract Review</li> <li>• Elsecar Heritage Centre - Procurement</li> <li>• Tribal System - Procurement</li> <li>• Procurement Cards</li> <li>• Carbon Reduction Commitment</li> <li>• Strategic Procurement Group</li> <li>• Area Based Commissioning</li> <li>• Final Accounts</li> </ul> <p>Information Services:</p> <ul style="list-style-type: none"> <li>• Bull TCL Arrangements</li> <li>• Information Governance Framework</li> <li>• IT Asset Management</li> <li>• Special investigations and anti fraud advice</li> <li>• General controls, contracts and procurement advice</li> </ul>
Public Health	<ul style="list-style-type: none"> <li>• Absence Management Arrangements</li> <li>• Service Delivery Arrangements</li> <li>• Clinical Governance Policy</li> <li>• Contracts / Procurement Advice</li> <li>• Anti fraud advice</li> </ul>
Council Wide	<ul style="list-style-type: none"> <li>• Annual Governance Review</li> <li>• Anti Money Laundering</li> <li>• Corporate Whistleblowing</li> <li>• Follow-Up of Audit Recommendations</li> <li>• Internal Audit planning</li> <li>• Audit Committee support work</li> <li>• General advice and input to corporate initiatives</li> </ul>
Non Authority	<ul style="list-style-type: none"> <li>• Berneslai Homes work in accordance with a SLA and audit plan</li> <li>• Wentworth Castle work in accordance with a SLA and audit plan</li> <li>• Strategic and operational support to the Audit Service in respect of South Yorkshire Joint Secretariat</li> </ul>

## INTERNAL AUDIT PLAN 2013/14 – Position as at 31st March 2014

Directorate	Original 2013/14 Plan	Revised 2013/14 Plan	Actual Days
Adults and Communities	131	106	125
<b>Corporate Services:</b>			
➤ HR, Performance & Communications	97	102	83
➤ Legal & Governance	50	45	41
➤ Finance, Property & Information Services	742	882	830
Children, Young People & Family Services	150	199	185
Development, Environment & Culture	173	156	142
Public Health	22	26	30
Council Wide	269	319	344
Contingency	250	21	0
Berneslai Homes	133	133	122
South Yorkshire Joint Secretariat	40	68	106
<b>Total Internal Audit</b>	<b>2,057</b>	<b>2,057</b>	<b>2,008</b>

Quarterly profile  
Variance to date

2,057 Days  
-49 Days

Plus Corporate Governance Support	124	124	156
<b>Total Chargeable Planned Days</b>	<b>2,181</b>	<b>2,181</b>	<b>2,164</b>

## INTERNAL AUDIT PERFORMANCE INDICATORS FOR 2013/14

Ref.	Indicator	Frequency of Report	Target 2013/14	Actual 2013/14	Target 2012/13	Actual 2012/13
<b>1.</b>	<b>Customer Perspective:</b>					
1.1	Percentage of favourable auditee questionnaire responses received (noted "good" or "very good") relating to work concluding with an audit report. (12 very good, 8 good, none acceptable or none poor)	Quarterly	95%	100%	95%	100%
1.2	Percentage of favourable auditee questionnaire responses received (noted "good" or "very good") relating to the provision of advice, special investigations, support to steering groups and project boards. (4 very good, 2 good, 1 acceptable and none poor)	Annual	95%	86%	95%	100%
1.3	The number of questionnaire responses received from auditees noted as "poor" followed up with the respondent within three months of receiving the completed questionnaire.	Quarterly	100%	N/A	100%	N/A
1.4	External Auditors able to place reliance on Internal Audit work.	Annual	Yes	Yes	Yes	Yes
<b>2.</b>	<b>Business Process Perspective:</b>					
2.1	Percentage of draft audit reports issued and discussed within 20 working days of completion of audit work	Quarterly	95%	84%	95%	84%
2.2	Percentage of final audit reports issued within a further 15 working days of completion and agreement of the draft audit report	Quarterly	80%	97%	80%	81%

Ref.	Indicator	Frequency of Report	Target 2013/14	Actual 2013/14	Target 2012/13	Actual 2012/13
2.2a	Percentage of final audit reports issued more than 15 working days of completion and agreement of the draft audit report where delays have occurred due to the auditee.	Quarterly	N/A	100%	N/A	83%
2.3	Percentage of chargeable time against total available.	Quarterly	68%	68%	68%	66%
2.4	Percentage of planned audit reports completed against the actual number of reports completed.	Annual	75%	100%	75%	83%
2.5	Total number of days lost through sickness as a percentage of the total number of days available.	Quarterly	6 days	6 days	6 days	8 days
<b>3.</b>	<b>Continuous Improvement Perspective:</b>					
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%	100%
3.2	Number of training days delivered against the training budget.	Annual	92	84 days	94 days	75 days
<b>4.</b>	<b>Financial Perspective:</b>					
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Within Budget	Within Budget	Within Budget

## 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.
1.2	Percentage of favourable auditee questionnaire responses received (noted "good" or "very good") relating to the provision of advice, special investigations, support to steering groups and project boards.	This performance indicator obtains feedback on the effectiveness of Internal Audit's input to the provision of advice, special investigations, and support to steering groups and project boards. Feedback is obtained on an annual basis from Directors and Assistant Directors. The questionnaire responses are analysed in detail to ensure all aspects of the audit process are monitored and improved.
1.3	The number of questionnaire responses received from auditees noted as "poor" followed up with the respondent within three months of receiving the completed questionnaire.	Although a minimal number of questionnaires have previously been returned with a 'poor' assessment, the Division is committed to respond to discuss with the client any issues should they arise.
1.4	External Auditors able to place reliance on Internal Audit work.	The work relates to the core systems work under the managed audit approach. The implication of this 'yes' is that External Audit undertake less work themselves. This reduces the external audit fee.
2.1	Percentage of draft audit reports issued and discussed within 20 working days of completion of audit work.	This is an operational PI to ensure the timely issue of draft reports following the completion of audit work 'on site'. Many audits involve a considerable amount of information and analysis and so can take up to 20 days to prepare a draft report. This PI is also influenced by the availability of client staff.
2.2	Percentage of final audit reports issued within a further 15 working days of completion and agreement of the draft audit report where delays have not occurred due to the auditee.	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 Division's quality assessment process highlights.
2.2a	Percentage of final audit reports issued more than 15 working days of completion and agreement of the draft audit report where delays have occurred due to the auditee.	As the timeliness of the issue of the final audit report may be adversely affected by the availability of the auditee, this performance indicator aims to measure the extent to which delays in the issue of final audit reports have been attributable to delays caused by client staff.
2.3	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.

PI Ref	Indicator	Comments
2.4	Percentage of planned audit reports completed against the actual number of reports completed.	This PI will reflect the % chargeable time of staff in post, net of vacancies.
2.5	Total number of days lost through sickness.	This PI shows the % of planned audit reports to be completed against the actual number of audit reports completed.
3.1	Personal development plans for staff completed within the prescribed timetable.	A corporate PI to measure the effectiveness of good absence / attendance management.
3.2	Percentage of training days delivered against the training budget.	Internal Audit 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.	A measure to determine whether the training budget is sufficient to meet the training needs of staff and a measure of whether training plans are being fulfilled. Target assumes an equal quarterly uptake of training.
		This is a simple overall measure to note whether the Division's expenditure for the year has been kept within the budget.

## Appendix 4

### Analysis of Internal Audit Feedback Received During 2013/14

		Very Good	Good	Acceptable	Poor
<b>A</b>	<b>Audit Planning</b>				
1	Relevance of the audit objectives	13 (4)	7 (1)	0 (0)	0 (0)
<b>B</b>	<b>Communication</b>				
1	Consultation on scope and objectives of the audit	12 (4)	6 (1)	1 (0)	0 (0)
2	Communication during all aspects of the audit	14 (4)	5 (1)	1 (0)	0 (0)
3	Helpfulness co-operation of the auditor(s)	14 (4)	6 (1)	0 (0)	0 (0)
4	Professionalism of the auditor(s)	14 (4)	6 (1)	0 (0)	0 (0)
5	The auditor(s) demonstrated an appreciation of any relevant issues concerning equality and diversity	8 (4)	7 (1)	0 (0)	0 (0)
<b>C</b>	<b>Timing</b>				
1	Duration of the audit	12 (4)	8 (1)	0 (0)	0 (0)
2	Timeliness of the audit report	12 (4)	5 (1)	1 (0)	0 (0)
<b>D</b>	<b>Quality of the audit report</b>				
1	Format and clarity of audit report	13 (4)	6 (1)	0 (0)	0 (0)
2	Accuracy of the findings	13 (4)	8 (1)	0 (0)	0 (0)
3	Relevance of recommendations	10 (3)	9 (2)	0 (0)	0 (0)
4	Overall quality of the report	13 (4)	6 (1)	0 (0)	0 (0)
<b>E</b>	<b>Value of the audit</b>				
1	Basic controls assurance the audit has provided	12 (4)	8 (1)	0 (0)	0 (0)
2	Added value given beyond basic controls assurance	9 (4)	10 (1)	0 (0)	0 (0)
3	<b>Overall value of the audit</b>	12 (4)	8 (1)	0 (0)	0 (0)
		<b>60</b>	<b>40</b>	<b>0</b>	<b>0</b>
		<b>100%</b>			
	<b>Total Number of 'ticks' (A – E)</b>	<b>181</b>	<b>105</b>	<b>3</b>	<b>0</b>
	<b>Percentage</b>	<b>63</b>	<b>36</b>	<b>1</b>	<b>0</b>
		<b>100%</b>			

Number ticks shown against each 'score' given

**Returned Questionnaires:-**

Quarter 1	4
Quarter 2	7
Quarter 3	4
Quarter 4	5
<b>Total</b>	<b>20</b>

## **Auditee Comments (where given) :- (received in the quarter)**

\*\*\*\*

Given the changes at the school in the last 12 months: a change in Business Manager and the Finance Officer taking on greater responsibility of day to day financial management, the timing of the audit was opportune. It was good to have external confirmation that the policies and changes in procedures are working effectively, I think the single finding was justified and in the context of the entire audit, was relatively minor and will be taken on board for the end of each summer term. I thank (name of Auditor) for their time at the school.

\*\*\*\*

The flexibility of Internal Audit in tailoring the work undertaken and the timescales to meet service needs is much appreciated.

\*\*\*\*

Overall the audit was as expected and carried out in a professional manner. There were a number of e mail exchanges between the auditor, my admin manager and I, this became confusing as the auditor was agreeing actions with the office manager with no involvement or discussions with me as to the operational value and or constraints. In addition I was asked a number of questions that were unrelated to the audit about budget management. I eventually asked for the formal report as the e mail exchanges were not helpful in finalising actions that the service needed to conclude.

\*\*\*\*

Very happy with Audit overall - (Name of Auditor) was able to identify what was needed at early course, and once in possession of correct files / evidence was able to undertake audit with little input on my / our day - to day activities. (Name of Auditor) acted in a helpful, professional and pragmatic manner.

\*\*\*\*

As usual IA's approach to the evaluation of our governance self assessment has been very thorough and will form part of our evidence within our automatic contract renewal mechanism with the Council.

\*\*\*\*

The audit team were very helpful in providing advice appropriate to the school environment, and were understanding of the issues that combining 3 schools created in our first year of operation. Having the interim report provided during the school holidays enabled us to form our responses and prepare documentation ready for the new academic year.

\*\*\*\*

It was very evident that the Auditor had knowledge and experience in the field of quality management systems. The audit was carried out in a very professional manner with positive findings and observations. The objective of the audit was met and very helpful to me and my colleague in making improvements to our working practices and quality management systems. We found the findings of the audit valuable and have learnt from the audit.

We both found the findings of the audit valuable and have learnt from the Audit.

\*\*\*\*

The audit produced some useful recommendations which we will act upon and was carried out in a professional / low key manner.

\*\*\*\*



## Public Sector Internal Audit Standards – Self Assessment Checklist

		GC	PC	DNC
	<b>Definition of Internal Auditing</b>	✓		
<b>Ref.</b>	<b>Code of Ethics</b>			
1	Integrity	✓		
2	Objectivity	✓		
3	Confidentiality	✓		
4	Competence	✓		
<b>Ref.</b>	<b>Attribute Standards</b>			
1000	Purpose, Authority and Responsibility	✓		
1010	Recognition of the Definition of Internal Auditing, the Code of Ethics, and the Standards in the Internal Audit Charter	✓		
1100	Independence and Objectivity	✓		
1110	Organisational Independence		✓	
1111	Direct Interaction with the Board	✓		
1120	Individual Objectivity	✓		
1130	Impairments to Independence or Objectivity	✓		
1200	Proficiency and Due Professional Care (The sum of Standards 1210-1230)	✓		
1210	Proficiency	✓		
1220	Due Professional Care	✓		
1230	Continuing Professional Development	✓		
1300	Quality Assurance and Improvement Programme (The sum of Standards 1310-1320)	✓		
1310	Requirements of the Quality Assurance and Improvement Programme		✓	
1311	Internal Assessments		✓	
1312	External Assessments			✓
1320	Reporting on the Quality Assurance and Improvement Programme	✓		
1321	Use of Conforms with the International Standards for the Professional Practice of Internal Auditing	✓		
1322	Disclosure of Non-conformance	✓		
<b>Ref.</b>	<b>Performance Standards</b>			
2000	Managing the Internal Audit Activity (Sum total of Standards 2010 – 2060)	✓		
2010	Planning	✓		
2020	Communication and Approval	✓		
2030	Resource Management	✓		

		GC	PC	DNC
2040	Policies and Procedures	✓		
2050	Coordination	✓		
2060	Reporting to Senior Management and the Board	✓		
2070	External Service Provider and Organisational Responsibility for Internal Audit	N/A	N/A	NA
2100	Nature of Work (Sum of Standards 2110 – 2130)	✓		
2110	Governance	✓		
2120	Risk Management	✓		
2130	Control	✓		
2200	Engagement Planning (Sum of Standards 2201-2240)	✓		
2201	Planning Considerations	✓		
2210	Engagement Objectives	✓		
2220	Engagement Scope	✓		
2230	Engagement Resource Allocation	✓		
2240	Engagement Work Programme	✓		
2300	Performing the Engagement (The sum of Standards 2300-2340)	✓		
2310	Identifying Information	✓		
2320	Analysis and Evaluation	✓		
2330	Documenting Information	✓		
2340	Engagement Supervision	✓		
2400	Communicating Results (Sum of Standards 2410-2440)	✓		
2410	Criteria for Communicating	✓		
2420	Quality of Communications	✓		
2421	Errors and Omissions	✓		
2430	Use of 'conducted in conformance with the International Standards for the Professional Practice of Internal Auditing'	✓		
2431	Engagement Disclosure of Non-conformance	✓		
2440	Disseminating Results	✓		
2450	Overall Opinions	✓		
2500	Monitoring Progress	✓		
2600	Communicating the Acceptance of Risks	✓		

## INTERNAL AUDIT TRAINING 2013/14

The table below lists the training specifically undertaken by members of the Internal Audit and Risk Management division during 2013/14.

<b>Formal Course</b>	<b>Description</b>
IIA Award in Governance and Risk Management	A two day IIA accredited course, this course is one element which forms part of the IIA Certificate a professional qualification. Fourteen members of the Division completed this particular module.
Thorny Procurement Questions	A one day external course covering the current / popular / topical questions on procurement, the course also covered industry best practice. One member of the Division attended this course.
IOSH Working Safely Refresher Course	This is a course required every three years for those officers who fulfil the role as Health & Safety Officer for the section.
Bribery – Responding to rapid change in social care and health	A one day externally provided course covering how auditors and audit plans need to adapt to focus on the key risks and recent changes in social care and public health. Seven members of the Division attended this course.
Audit Management Course	A webinar based training session aimed at making a more effective audit service. One member of the Division undertook this training.
Public Sector Internal Audit Standards	An IIA seminar covering the new professional standards. Two members of staff undertook this training.
Police Audit Conference	Two day conference covering governance arrangements within the police sector attended by 3 members of staff.
CIPFA Certificate in Corporate Governance	An external course over seven days covering principles and best practice on corporate governance. One member of the Division is attending this training.
CIPFA Contract & Procurement Annual Audit Summit	One day externally hosted seminar highlighting contract procurement related risks.
Act Now Training: E-Crime. Social Networking Sites,	One day course covering examples of e-crime and how to interrogate social networking sites during investigations.

<b>Other Training</b>	<b>Description</b>
Information Governance (BOLD training)	On line training course on the principles and best practice in relation to information governance / information security. Twenty two members of the Division completed this training.
Treasury Management Workshop	Workshop presented by Capita Assets Services on the principles of treasury management. One member of the Division attended this workshop.

Other Training	Description
Domestic Abuse Awareness	A workshop to raise awareness on this topic. Four members of the Division attended this.
Physical & Sexual Abuse Awareness	A workshop to raise awareness on this topic. Four members of the Division attended this.
Project Management (BOLD)	An on line training course on the principles of project management. One member of the Division undertook this training.
Word and Excel Training (Open Learning Course)	On line training to enhance skills using Word and Excel. Seven members of the Division undertook this training.
Risk Management Training (BOLD)	An in house on line training course on the principles of risk management. Ten members of staff undertook this training.
Equality and Diversity	An in house on line training course on the principles of E&D. Two members of staff undertook this training.
Fraud Awareness	An on line training course on the principles of fraud and fraud prevention. One member of staff undertook this training.
Public Sector Internal Audit Standards	Internal training session covering the new professional standards and revised internal audit procedures. Twenty member of the Division attended this training.
Unit Costing / Pricing Training	A half day training session to enhance financial management skills. One member of the Division attended this training.
Performance Management	A short training session to enhance performance management skills. One member of the Division attended this training.
Area Councils	A short training session covering Area Councils. One member of staff undertook this.
Use of the Dezisions Systems	A short training session aimed at enhancing budget management skills. One member of staff undertook this course.
Manager Conference	Attendance at the Council's manager conference which covered Future Council arrangements. Three members of staff attended this conference.
Job related:	By its very nature this is a broad ranging training requirement. It covers reading time for staff to familiarise themselves with a new system or technical requirements to mentoring or shadowing a senior member of the section. All staff have made use of this informal training throughout the financial year.

### **Personal Development Reviews:**

The Division complies with the corporate PDR scheme. Reviews are held every six months at which point the training and development requirements of the individual are assessed in a constructive and supportive environment. All members of the Division have had their PDRs and a record of their training requirements is maintained and

updated as required.

### **Dissemination of Training:**

To ensure that all members of the Division are kept informed, the information gained at a course is cascaded to the rest of the section. This can take several forms:

- Usually and the most common method used is that the slides / handouts are circulated to the section for their information. This is usually backed up with an informal Q&A session.
- The person(s) who attended the course can give a semi-formal talk / discussion at the next team meeting about the main issues covered.
- At the Internal Audit away day there can be a more formal presentation of the issues / points covered in the training.

### **General Staff Support:**

Formal training is not the only option to staff in order for them to improve in their job. The PDR process also considers alternatives to training such as mentoring / shadowing, job related training, reading time, etc.

Each member of Internal Audit has a training budget of days that they can use to improve their understanding of their work, the Authority or their technical skills. Most undertake CPD with their respective professional bodies (CIPFA, CIIA, and AAT) and utilise the courses these bodies offer to keep themselves up to date.

Staff are supported and encouraged by management to maintain their knowledge and skills relevant to their current jobs and with a view for their progression / development to the next level.

