

Internal Audit Annual Report 2019



What we do best...

Innovative assurance services
Specialists in internal audit
Comprehensive risk management
Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers
**Existing strong regional public sector
partnership**
**Auditors with the knowledge and expertise to
get the job done**
**Already working extensively with the not for
profit and third sector**

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The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The opinion is based solely the work undertaken as part of the agreed internal audit plan.

Purpose of Annual Report

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2015. In particular:-

- Include an opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and therefore the extent to which the Council can rely on it;
- Inform how the plan was discharged and the overall outcomes of the work undertaken that supports the opinion;
- A statement on conformance with the PSIAS and the results of the internal audit quality assurance;
- Draw attention to any issues particularly relevant to the Annual Governance Statement.

Annual Opinion

For the twelve months ended 31 March 2019 (based on the work we have undertaken and information from other sources of assurance) my opinion on the adequacy and effectiveness of Lincolnshire County Council's arrangements for governance, risk management and control is:-

<p>Governance</p> 	<p>Performing Well – Some improvements identified over the Council’s Governance, Risk and Control framework or to manage medium risks across the Council</p>
<p>Risk</p> 	<p>Performing Adequately – Some improvement required to manage a high risk in a specific business area and medium risks across the Council</p>
<p>Internal Control</p> 	<p>Performing Adequately – Some improvement required to manage a high risk in a specific business area and medium risks across the Council</p>
<p>Financial Control</p> 	<p>Performing Adequately – Some improvement required to manage a high risk in a specific business area and medium risks across the Council</p>



"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"

It is comprised of systems, processes, culture and values, by which the Council is directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

Each year the Council is required to reflect on how its governance arrangements have worked – identifying any significant governance issues that it feels should be drawn to the attention of the public – in the interests of accountability and transparency.

Significant governance issues identified by the Council in the 2019 statement relates to IT Governance.

There are no additional significant governance issues that we wish to draw to the attention of the Council for inclusion in its Annual Governance Statement. We have reported a number of **Limited Assurance** Opinions – see page 4.

We undertook a Governance Review of culture and values in 2018/19 – this showed that the Council's core values were at the heart of what the Council does – being open, transparent and inclusive. The report recommendations provided the Council with suggested improvements to help embed good governance across the organisation.

The Audit Committee helps to ensure that these arrangements are working effectively. They regularly review the governance framework and consider the draft and final versions of the Annual Governance Statement.

**The Governance
framework
remains the
same**



**Assessed as
Performing Well**

Risk



Good risk management is part of the way we work. It is about taking the right risks when making decisions or where we need to encourage innovation in times of major change – balancing risk, quality, cost and affordability. This put us in a stronger position to deliver our goals and provide excellent services.

The Council's risk management arrangements remain a Green assessment through the combined assurance review (a high level of assurance).

Established structures and processes for identifying, assessing and managing risk remained the same during 2018/19.

Recent Senior Leadership changes provides the Council with the opportunity to review its Risk Governance arrangements. The ownership of some of the Council's key risks will also change.

The Council's risk appetite and update of the Strategic Risk Register was completed during 2018/19 .

There continues to be **Limited Assurance** over some of the Council's Strategic Risks.

The above information helped inform the Head of Internal Audit opinion.

It is worth noting that the Council received the Public Finance award 2018 - Innovation in Risk Management for the development of its approach to establishing Risk Appetite.

Risk Management remains the same



Assessed as Performing Adequately





We take account of the outcome of our audit work during the 2018/19 year. As our audit plans include different activities each year it is not unexpected that assurance varies. However the assurance levels still give insight into the Council's control environment.

Positive assurance levels continue to improve upon the previous year for the Council's systems – payroll issues continue to improve with assurance increasing from **Limited** to **Substantial** during the year.

Limited assurance opinions are:

- Cyber Security
- Capital Receipts Programme
- Tax Compliance
- Lincolnshire Fire and Rescue Fleet Management
- IR35
- Interests, Gifts and Hospitality

We have **not** issued any **Low assurance** reports.

A summary of these audits can be found in appendix 1.

During the year we have made 222 recommendations for improvement - 99% of agreed management actions due have been implemented. We regularly monitor the implementation of outstanding actions – see appendix 3 for full details .

The outcome of our internal audit work and the intelligence gathered through the combined assurance framework has helped inform the Head of Internal Audit's opinion on Internal Control.

Internal Control assurance remains the same



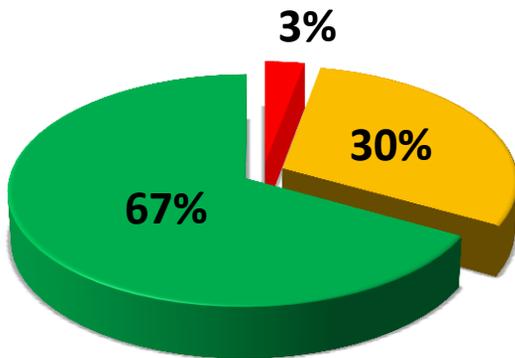
Assessed as Performing Adequately



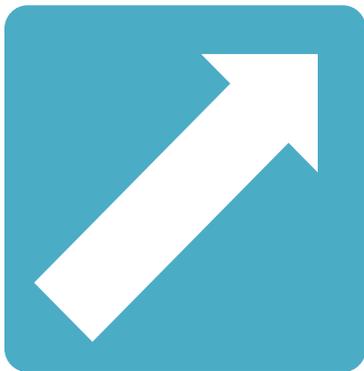
A Combined Assurance Status report is produced by each Director on the level of confidence they can provide on service delivery arrangements, management of risks, operation of controls and performance for their area of responsibility. These reports are reviewed by the Audit Committee and provide key assurance evidence to support the Head of Internal Audit opinion.

Combined Assurance Status Report

Overall Assurance Status 18/19



- Red - low level of assurance
- Amber - medium level of assurance
- Green - high level of assurance



We help co-ordinate the Council's assurance intelligence.

Overall there continues to be a high level of assurance (67%), with slightly less areas of low assurance than last year.

Key areas where management action is still required are:-

Children's Services

Business World – Re-engagement

IMT

Asset Management – Software
Information Governance and Records
Management
PSN Compliance
Avaya System upgrade project
2003 Servers

Environment & Economy

Libraries IMT
Archives Building

Assurance over 16% of activities has increased from Medium to High since 2017/18



Our audit plans include providing assurance over our key financial systems, this is done on a cyclical basis; however the level of risk will also influence frequency.

Our work provides an important assurance element to support the External Auditor's opinion on the Council's Statement of Accounts.

During the year we reviewed:

- Key control testing including data analytics – All areas returning **High or Substantial Assurance**
- Cash Management in Establishments – **Substantial Assurance**
- Payroll – **Substantial Assurance**
- Capital Strategy – **Substantial Assurance**
- Capital Receipts – **Limited Assurance**
- VAT – **Substantial Assurance**
- Tax Compliance – **Limited Assurance**
- Pension Administration – **High Assurance**
- Property, Plant and Equipment – **High Assurance**
- IR35 – **Limited Assurance**

The finance system assurance levels has improved but continues to have some significant risks and issues. The payroll system is still reliant on several workarounds to achieve substantial assurance over controls. These are being addressed through the current Business World Rebuild Project which we are supporting during 2019/20. An independent report on phase 1 of this project has highlighted some key issues which impacts on the Council agreeing the the best option for proceeding with phase 2.

The Council has reviewed what happened at Northamptonshire County Council - benchmarking its financial practices to lessons learnt. An action plan is being drawn up with suggested improvements.

The recent draft CIPFA Financial Management Code publication has also been referenced in the above work.

The Financial Control assurance remains the same



Assessed as Performing Adequately



The Council continues to have effective counter fraud arrangements in place. The delivery and outcome of proactive counter fraud plan is monitored by the Audit Committee.

Counter Fraud

We have delivered **91%** of the tasks included within the 2018/19 Counter Fraud Work Plan.

We received 23 referrals of suspected fraud during 2018/19. We made recoveries in 3 cases that we dealt with – the amounts recovered totalled just over **£9.7k**. This was lower than the amounts recovered in 2017/18 although our work directly contributed to preventing several other frauds being perpetrated – total value **£15.2k**.

Our efforts to promote fraud awareness across the Council have continued. The e-learning package developed to raise fraud awareness amongst employees has continued to perform well and receives good feedback. We have also delivered targeted work aimed at increasing fraud awareness within schools.

Other work delivered included a proactive review of procurement fraud and we have also developed closer links to improve our knowledge and understanding of the cyber fraud threat.

A separate Counter Fraud Annual report is provided to the Audit Committee – this provides more detail on delivery of the approved Counter Fraud work plan.





The Council is responsible for establishing and maintaining risk management processes, control systems and governance arrangements. Internal Audit plays a vital role in providing *independent risk based and objective assurance* and *insight* on how these arrangements are working. Internal Audit forms part of the Council's assurance framework.

Scope of Work

Our risk based internal audit plan was prepared taking into account the critical activities and key risks to support the basis of my annual opinion. It has remained flexible to enable us to respond to emerging risks and maintain effective focus.

The Audit Committee approved the 2018/19 original audit plan of **1300 days** on the 27th March 2018. We have delivered **1006 days** - **78** pieces of work (including 22 School Audits).

The difference between the original and resourcing plan is a combination of:

- Reduction in IT Audits – resources not required.
- Reduction in resources available eg staff turnover / sickness / availability.

Resource allocation and audit process reviewed in December 2018 and included in our Quality Assurance Improvement Plan.



Restriction on Scope

We identified no unexpected restrictions to the scope of our work but have had difficulties in gaining access to some staff which resulted in some delay or inability to deliver planned work within the expected timescales.

The delivery of our IT Audit plan has improved over previous years but progress has been slow - with some audits deferred. We will continue to work with Senior Management to improve support of the audit process. We have been able to gain some assurance through the Council's combined assurance process and map. We have identified the most significant risks, which will allow us to target our IT audit work in 2019/20 where it will add the most value.

I do not consider the restrictions to have had an adverse effect on my ability to deliver my overall opinion. The combined assurance model adopted by the Council helped in this regard.

We have not experienced any impairment to our independence or objectivity during the conduct and delivery of the Internal Audit Plan.



Internal Audit's role include advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.

Other Significant Work

During the year we have undertaken several pieces of Grant Sign Off work including Families Working Together, Bus Service Operators Grant and the Greater Lincolnshire Local Enterprise Partnership Single Local Growth Fund.

We completed our annual refresh and coordination of Combined Assurance which maps all assurance across the authority using the 'three lines of assurance' model. This provided the Council with insight over the assurances present on its critical activities, key risks, projects and partnerships.

We have continued to support the Council's assurance framework with consultancy work – this is where we give support and advice on governance, risk and control but do not provide an assurance opinion - generally proactive work : -

- **Governance Review -culture and values** – a deep dive review to assess the maturity of cultural and ethical governance in practice.

- **Heritage Project** – Review, support and advice on the project aiming to create a financially sustainable heritage delivery model.
- **Corporate Support Services Contract-** Review, support and advice to the project boards on the future options for the Corporate Support Services Contract.
- **Pay statements** – support and advice on the production of pay statements to validate the accuracy of payments to the work force since the introduction of Agresso.
- **Financial Sustainability Review** – in depth review of the failings at Northamptonshire County Council and benchmarking our own Council against this to identify any weaknesses.
- **Highways Alliance** - Review, support and advice to the project board on this crucial procurement programme.

We have supported the Audit Committee through the delivery of training and facilitated a workshop on financial sustainability.



We recognise the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards (PSIAS). We continually focus on delivering high quality audit to our clients – seeking opportunities to improve where we can.

Quality Assurance

Our commitment to quality begins with ensuring that we recruit develop and assign appropriately skilled and experienced people to undertake your audits.

During 2018/19 we have had a strong focus on developing the next generation of audit and risk professionals. We have:

- introduced an apprenticeship scheme to both our audit and our insurance teams.
- worked closely with the University of Lincoln to introduce a year long professional practice year placement in audit and finance.
- continue to provide undergraduates with Easter and summer work experience placements.

We are proud to have been awarded a highly commended in recognition of our work with the University as the recent Institute of Internal Auditors annual awards ceremony.



Our audit practice includes ongoing quality reviews for all our assignments. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting. Key targets have been specified - that the assignment has been completed on time, within budget and to the required quality standard.

There is a financial commitment for training and developing staff. Training provision is continually reviewed through the appraisal process and regular one to one meetings.

Assurance Lincolnshire conforms to the UK Public Sector Internal Audit Standards. An External Quality Assessment was undertaken in September 2016. No areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity was identified.

Assurance Lincolnshire were winners of CIPFA's Public Finance Awards 2019 for its work around Governance - culture and values.



We recognise the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards (PSIAS). We continually focus on delivering high quality audit to our clients – seeking opportunities to improve where we can.

Quality Assurance

Our quality assurance framework helps us maintain a continuous improvement plan, which includes the following:

- Update Internal Audit Charter and practice manual following revision of PSIAS in April 2017 and CIPFA Application Note published March 2019.
- Working with senior management improve progress and delivery monitoring / audit scheduling
- Continuing professional development around new and emerging practice guidance.
- Benchmarking practice against CIPFA's 'Role of Head of Internal Audit' – published April 2019.
- Adopting current thinking on LEAN methodology to deliver efficiencies, improve productivity and optimise the way we work- including better use of technology. / data analytics.

Independence and objectivity

The Council's Head of Internal Audit has roles and responsibilities outside of

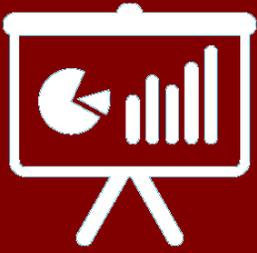
Internal Audit, namely Risk Management and Insurance, Health and Safety and Counter Fraud and Investigation. In such cases the PSIAS requires safeguards to be in place so as not to impair or appear to impair independence and objectivity.

Internal Audit assurance over Counter Fraud and Health and Safety have both been audited this year. The safeguards over independence was achieved by:

- Appointing an independent Internal Audit team outside of Lincolnshire to conduct the audit.
- Requesting that the independent internal audit team define and agree the final scope of work, plan and audit report with the County Finance Officer.

Although internal and external auditors carry out their work with different objectives in mind, many of the processes are similar and it is good professional practice that they should work together closely. Wherever possible, External Audit will place reliance and assurance upon internal audit work where it is appropriate.

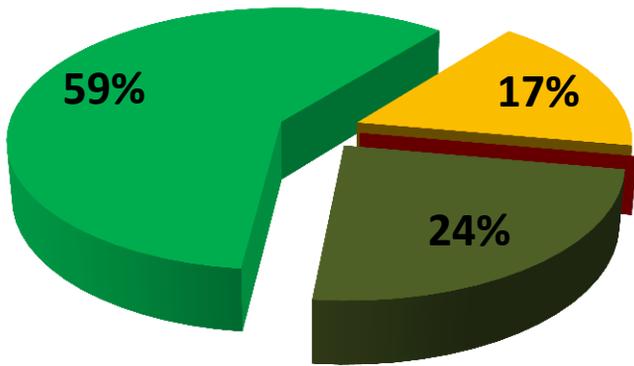
Benchmarking



Our audit plan includes different activities each year – it is therefore not unexpected that these vary; however, the assurance levels do give an insight on the application of the Council's control environment and forms part of the evidence that helped inform the overall annual opinion.

Assurances

Corporate



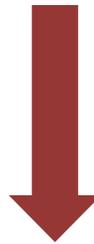
■ High ■ Substantial ■ Limited ■ Low

Increase in High and Substantial Assurance on last year

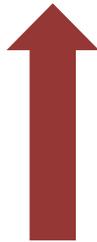


33%

Fall in Low and Limited Assurance on last year

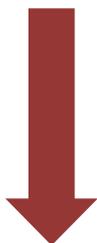


Increase in School Limited Assurance on last year

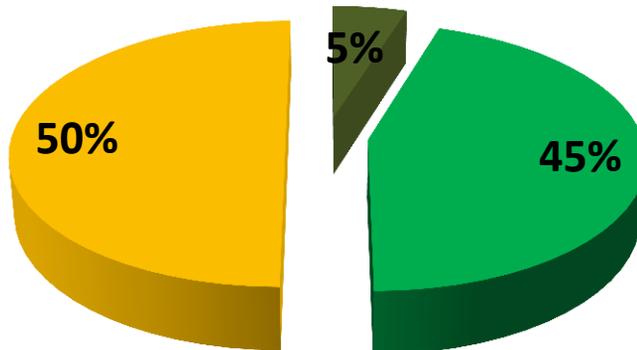


30%

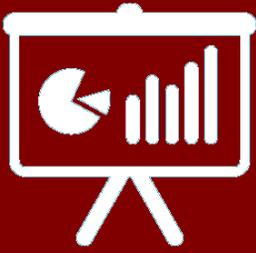
Fall in School High or Substantial Assurance on last year



Schools



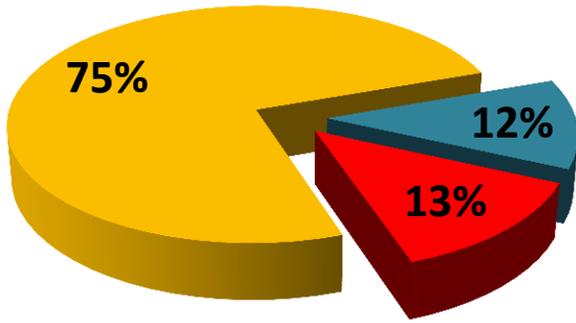
■ High ■ Substantial ■ Limited ■ Low



Comparison of internal audit recommendations made 2018/19 and 2017/18. We can see that the priority of recommendation are less urgent than the previous year, with a reduction in high priority and more medium and low priority actions agreed in the service. Schools have remained very similar. This information forms part of the evidence that helped inform the overall annual opinion.

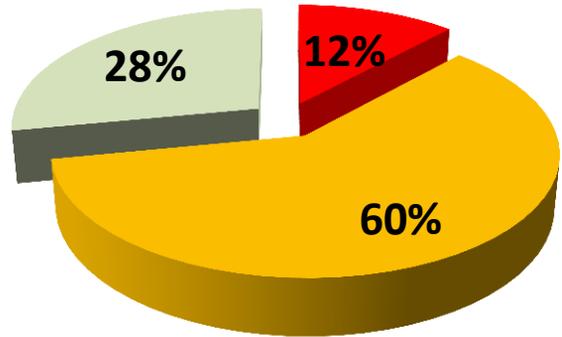
Recommendations

Corporate



- High
- Medium
- Advisory

Schools



- High
- Medium
- Low

Further details can be found at appendix 5

12%

fall in high
priority
findings

6%

Medium School
priority findings
have increased

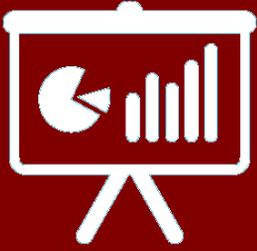
Medium priority
findings have
increased

25%

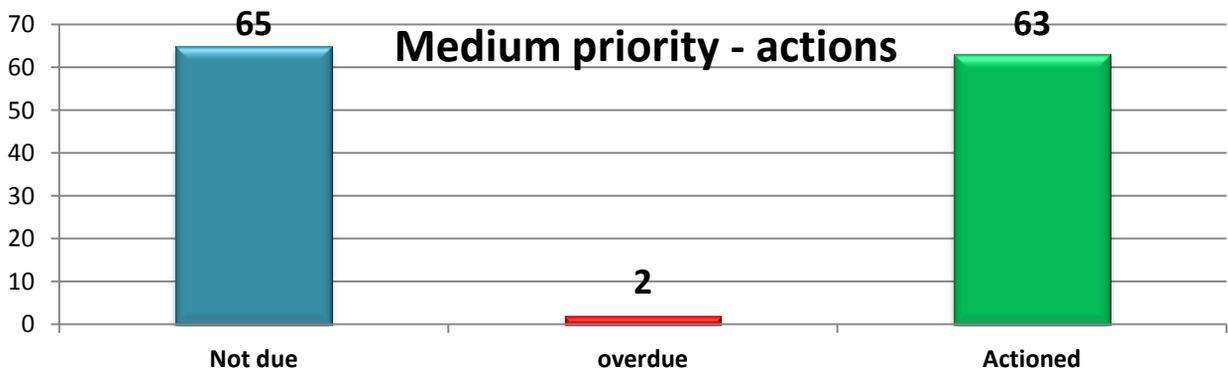
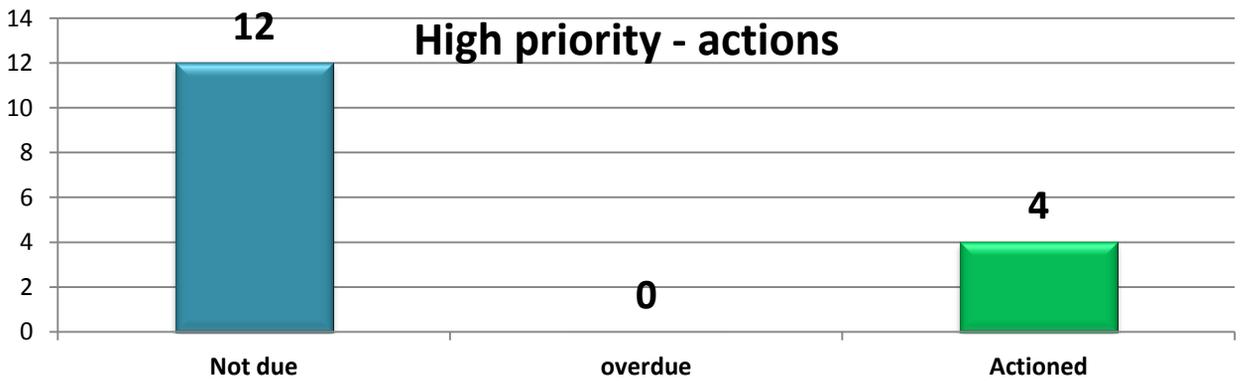
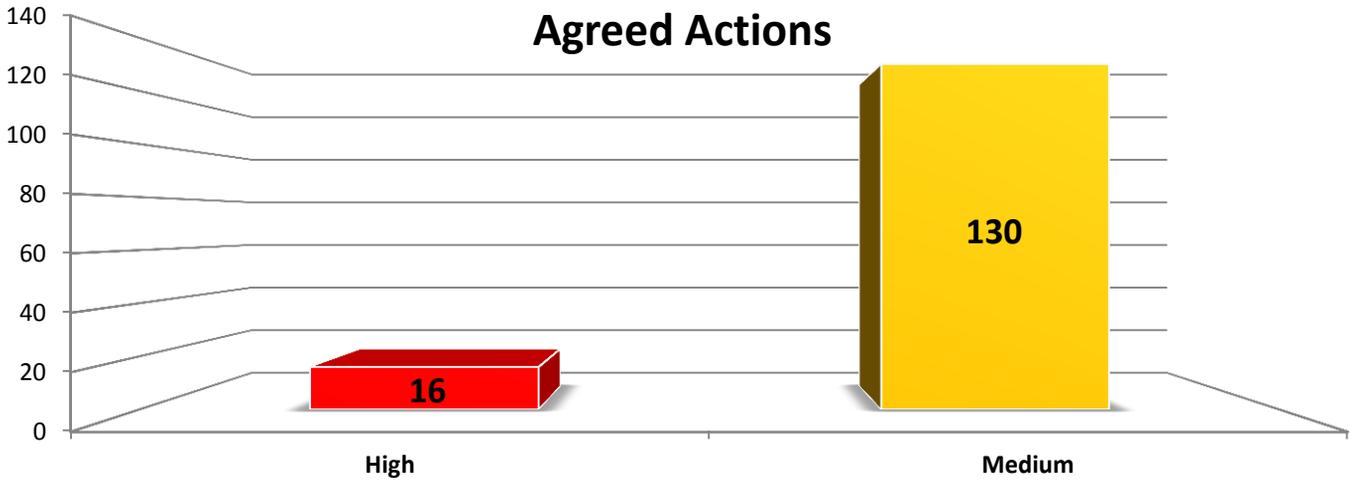
3%

Increase in
School high
priority findings

Benchmarking



During 2018/19 we made **220** recommendations and agreed **146** actions to address our recommendations. Of the **16** high and **130** medium **77** are not yet due, **67** have been actioned and **2** are overdue. Full details of overdue actions can be found at **appendix 3**.





Internal Audit's performance is measured against a range of indicators. The information below shows our performance on key indicators at the end of the year. We are pleased to report a good level of achievement delivery of the revised plan and the added value of our work. An area of improvement is around contemporary reporting (timescales).

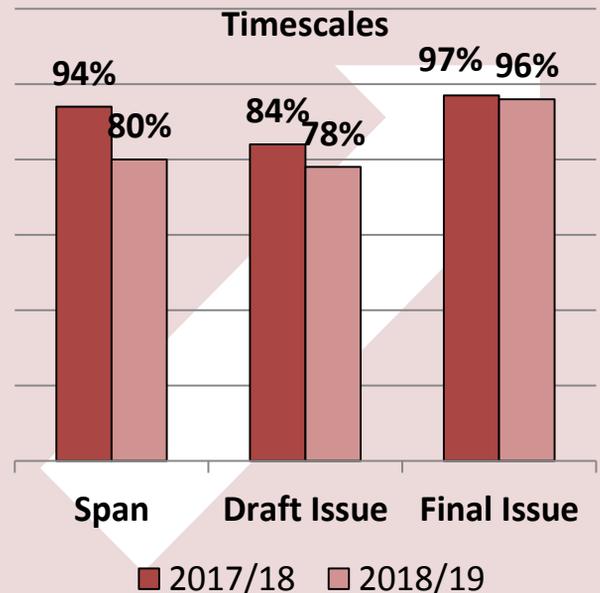
Performance on Key Indicators

100%

Rated our service Good to Excellent

Significant percentage increases in achievement of Audit KPI's

Plan successfully delivered using Dynamic Planning





The County Council is part of an Internal Audit collaborative partnership, consisting of the in-house internal audit teams of:

County Council
City of Lincoln
East Lindsey District Council

By working together the partnership aims to be:

'To provide affordable, high quality support and assurance across our Council's and external clients'

We improve the overall quality of the services provided through:

- Sharing of knowledge and experience.
- Adoption of leading audit techniques and methods.
- Pooling resources across the organisations to make savings, improve efficiency and offer greater value for money to our clients through streamlining our audit plans to audit/research specific areas of common interest.
- Resource swaps – which strengthen resilience and sustainability – keeping local talent.

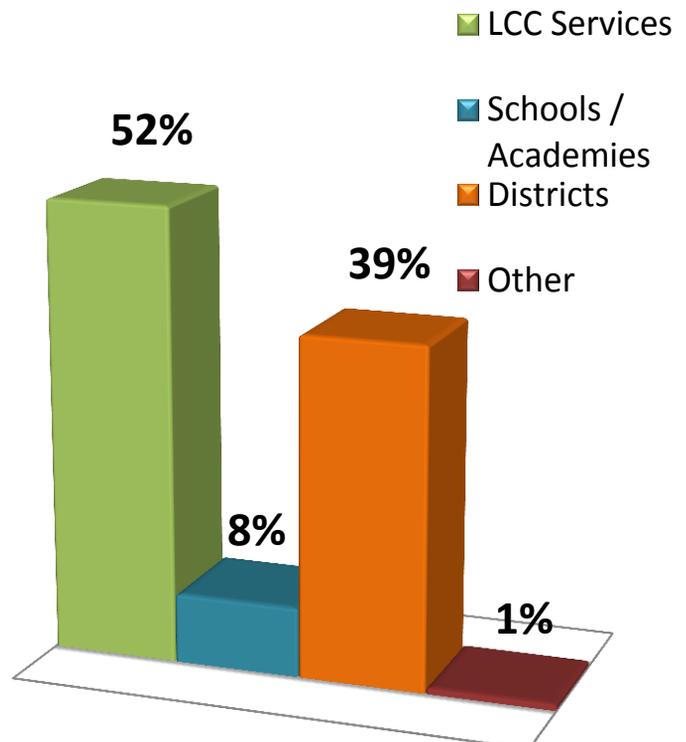
The County Council has a number of significant external clients:

- North Kesteven District Council
- West Lindsey District Council
- Newark and Sherwood District Council
- Lincolnshire Academies
- Gainsborough Town Council
- Charity

Our external clients help Corporate Audit and Risk Management operate within existing budgets. In 2018/19 the internal audit service generated income of £257,857.

The audit team actual expenditure (net) is £513,717 compared to a budget of £504,267. The Corporate Audit and Risk service as a whole had a slight overspend of £12,531 (1%).

Days delivered across client base



During the year we have issued a number of limited assurance opinions, in summary these are:

Interests, Gifts and Hospitality - We found that although some monitoring and governance controls are in place, in practice there was non-compliance with the policy, poor quality of information in declaration forms and a lack of clarity in the guidance for Officers.

Cyber Security - Our review covered the 12 steps published by the National Cyber Security Centre. Our report identified many areas for improvement against these step. Cyber Security remains a Strategic Risk for the Authority and is monitored on an ongoing basis.

Capital Receipts Programme

Tax Compliance - Our review established that clear responsibility for ensuring compliance with HM Revenue & Customs (HMRC) requirements relating to employee benefits and expenses has not been in place for more than 4 years. There is no assurance that the council has the correct exemptions/agreements and reporting arrangements in place for current employee expenses and benefits.

Lincolnshire Fire and Rescue Fleet

Management - We found fleet management processes outside of the Fleet Manager's remit were not operating as expected.

Council to check and document that each staff member operating any Fire and Rescue vehicle or equipment has a valid licence to do so. This hadn't been evidenced by one of the departments sampled, resulting in a breach of Service Order 38.

There had been no formal review of the Lindum contract since 2016 to ensure the contract is operating as intended and ensuring the quality of contract delivery.

IR35 - Our review of the application of the intermediaries legislation (IR35) found the Council has produced guidance on IR35 responsibilities, and created a process to set up IR35 suppliers and take deductions from payments, our discussions and testing indicate arrangements to identify and assess IR35 liability are not robust. There is therefore a risk that the Council is not fully complying with the legislation could be subject to interest and penalty charges on any Income Tax and National Insurance contribution owed if the off-payroll working rules have been deliberately ignored.

Audit	Rating	High	Medium	Advisory	Total
LCC 2018/19-01 - Highways 2020 Procurement Programme	Not applicable	-	-	-	0
LCC 2018/19-02 - Heritage (Phase 2)	Not applicable	-	-	-	0
LCC 2018/19-03 - Domestic Homicide Review	Substantial Assurance	0	5	2	7
LCC 2018/19-05 - Interests, Gifts and Hospitality Registers	Limited Assurance	0	9	1	10
LCC 2018/19-06 - Corporate Support Services Commissioning	Not applicable	1	3	0	4
LCC 2018/19-07 - Recommissioning of Domestic Abuse Support Service	Not assessed	-	-	-	0
LCC 2018/19-08 - Strategic Workforce Planning	Limited Assurance	0	6	0	6
LCC 2018/19-09 - Corporate Complaints, Compliments and Comments	Substantial Assurance	1	1	3	5
LCC 2018/19-10 - Records Management	Substantial Assurance	1	3	0	4
LCC 2018/19-11 - Cash Management in Registration Service	Substantial Assurance	0	3	1	4
LCC 2018/19-12 - Transport Connect Assurance Review	Not applicable	-	-	-	0
LCC 2018/19-13 - Operation Dovetail (counter terrorism)	Not applicable	-	-	-	0
LCC 2018/19-14 - School Admissions Software	High Assurance	0	0	0	0
LCC 2018/19-15 - Mosaic - Adult Care and Community Wellbeing	Substantial Assurance	0	6	4	10
LCC 2018/19-16 - Good Governance Review - Ethics	Not applicable	0	13	0	13
LCC 2018/19-17 - Health & Safety	High Assurance	0	2	0	2
LCC 2018/19-18 - Counter Fraud Arrangements	Substantial Assurance	0	6	0	6
LCC 2018/19-19 - Cyber Security	Limited Assurance	5	6	0	11
LCC 2018/19-20 - Mosaic Application Review	Substantial Assurance	0	3	0	3

Audit	Rating	High	Medium	Advisory	Total
LCC 2018/19-21 - Emergency Planning Command Structure	Substantial Assurance	0	2	0	2
LCC 2018/19-22 - Programme / Project Management Support	Substantial Assurance	0	2	0	2
LCC 2018/19-23 - Members Allowances Scheme	Substantial Assurance	0	3	0	3
LCC 2018/19-24 - Heritage Service Operating Model Change Programme	Not applicable	2	0	0	2
LCC 2018/19-25 - LEP Review Recommendation Embedding	Not applicable	-	-	-	0
LCC 2018/19-26 - Cash Management in establishments - Business Support	Substantial Assurance	0	4	0	4
LCC 2018/19-27 - Cash Management in Establishments - Heritage sites	High Assurance	0	3	0	3
LCC 2018/19-28 - Cash Management in establishments - Eastgate Children's Home	High Assurance	0	1	0	1
LCC 2018/19-29 - Cash Management in Establishments - Music Service	Substantial Assurance	0	3	0	3
LCC 2018/19-30 - Local Transport Capital Funding Grant 2017-18	Not applicable	-	-	-	0
LCC 2018/19-31 - Payroll Interim Audit 2018/19	Substantial Assurance	3	16	6	25
LCC 2018/19-32 - Children's Service Statutory Complaints	Substantial Assurance	0	5	1	6
LCC 2018/19-33 - Supplier Reliability	High Assurance	0	1	0	1
LCC 2018/19-34 - SEND Home Tuition	Substantial Assurance	0	1	2	3
LCC 2018/19-35 - Families Working Together	Not applicable	-	-	-	0
LCC 2018/19-37 - Capital Strategy and Receipts	Limited Assurance	1	1	0	2

Audit	Rating	High	Medium	Advisory	Total
LCC 2018/19-38 - Proportionate auditing for Direct Payments	Not applicable	0	7	0	7
LCC 2018/19-39 - Tax Compliance	Limited Assurance	5	5	0	10
LCC 2018/19-40 - Bus Service Operators Grant 2017-18	Not applicable	-	-	-	0
LCC 2018/19-42 - VAT follow up	Substantial Assurance	0	4	0	4
LCC 2018/19-43 - Pension Fund Asset Pooling	Not assessed	-	-	-	0
LCC 2018/19-44 - Assurance assessment re NCC	Not applicable	-	-	-	0
LCC 2018/19-45 - LFR Fleet Management	Limited Assurance	1	4	1	6
LCC 2018/19-46 - Patch Management	Substantial Assurance	1	1	0	2
LCC 2018/19-47 - Property Plant and equipment	High Assurance	0	0	0	0
LCC 2018/19-48 - Wellbeing	High Assurance	0	1	2	3
LCC 2018/19-50 - IR35	Limited Assurance	3	4	0	7
LCC 2018/19-51 - Pension Administration	High Assurance	0	0	0	0
LCC 2018/19-52 - Families Working Together #2	Not applicable	0	1	0	1
LCC 2018/19-53 - Holding company	Substantial Assurance	2	0	0	2
LCC 2018/19-54 - General ledger Key control testing	Substantial Assurance	0	5	1	6
LCC 2018/19-55 - Accounts Receivable (Debtors) key control testing 2018/19	High Assurance	0	1	0	1
LCC 2018/19-56 - Bank reconciliation key control testing 2018/19	High Assurance	0	2	0	2

Audit	Rating	High	Medium	Advisory	Total
LCC 2018/19-57 - Financial assessments	Substantial Assurance	1	2	0	3
LCC 2018/19-58 - Accounts Payable (Creditors) key control testing 2018/19	Substantial Assurance	0	6	1	7
LCC 2018/19-59 - Payroll key control testing 2018./19	Substantial Assurance	2	13	4	19
LCC 2018/19-60 - Families Working Together #3	Not applicable	-	-	-	0
	Totals	29	164	29	222

Audit	Rating	High	Medium	Low	Total
Edu 2018/19-02 - Morton Trentside Primary School	Limited Assurance	7	13	6	26
Edu 2018/19-06 - Tealby Primary School Fund audit	Not applicable	-	-	-	0
Edu 2018/19-10 - Horncastle Primary School	Substantial Assurance	0	12	4	16
Edu 2018/19-14 - Horncastle Primary School Fund audit	Not applicable	-	-	-	0
Edu 2018/19-30 - Martin Mrs Mary King's School audit 2018/19	Limited Assurance	4	13	1	18
Edu 2018/19-31 - Walcott Primary School audit 2018/19	Limited Assurance	0	9	0	9
Edu 2018/19-32 - Swinderby Primary School assurance visit 2018/19	Limited Assurance	3	9	0	12
Edu 2018/19-33 - Long Sutton Primary School & Nursery audit 2018/19	Limited Assurance	3	19	9	31
Edu 2018/19-34 - Ruskington Winchelsea Primary School	Substantial Assurance	0	8	5	13
Edu 2018/19-35 - St Faith & St Martin's Assurance visit 2018/19	High Assurance	0	2	0	2
Edu 2018/19-36 - Crowland Primary School	Substantial Assurance	1	12	6	19
Edu 2018/19-37 - Legsby Primary School	Substantial Assurance	0	5	7	12
Edu 2018/19-38 - Skegness The Richmond Primary School	Substantial Assurance	0	9	12	21
Edu 2018/19-40 - St Helena's CE Primary School	Substantial Assurance	2	6	5	13
Edu 2018/19-41 - St Bartholomew's CofE Primary School	Substantial Assurance	0	12	3	15
Edu 2018/19-46 - Dunston St Peter's CofE Primary School	Limited Assurance	5	12	7	24
Edu 2018/19-47 - Digby C of E School	Limited Assurance	-	-	-	0
Edu 2018/19-48 - Nocton Community Primary School	Limited Assurance	-	-	-	0
Edu 2018/19-51 - St Faith & St Martin's Primary School Fund audit	Not applicable	-	-	-	0
Edu 2018/19-52 - Skegness Seathorne School Fund audit	Not applicable	-	-	-	0
Edu 2018/19-54 - Marston Thorold's Charity CE Primary School	Limited Assurance	4	14	6	24
Edu 2018/19-55 - Shepeau Stow Primary school	Substantial Assurance	2	4	6	12
		31	159	77	267

Overdue incomplete actions for 2018/19 audits at 31/03/19

Activity	Issue Date	Assurance	Total Actions	Actions Imp	Priority of Overdue Actions			Actions not due
					High	Medium	Low	
Mosaic – Adult Care & Wellbeing	Jul 2018	Substantial	6	5	0	1	0	0
Proportionate auditing of direct payments	Nov 2018	Consultancy	1	0	0	1	0	0
Total			7	5	0	2	0	0

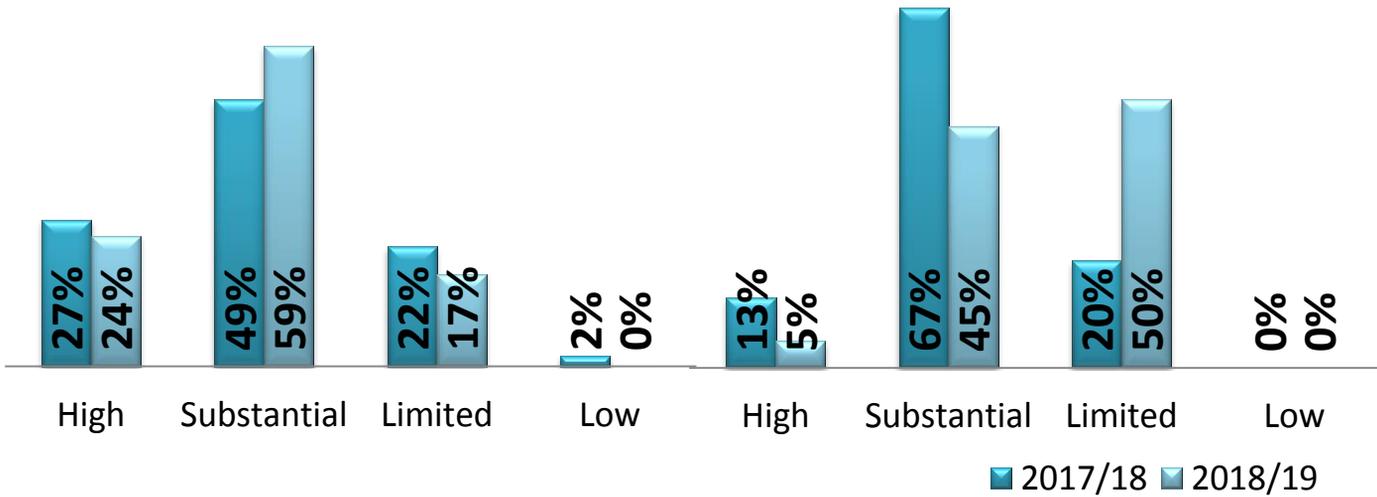
Overdue incomplete actions for all prior year audits at 31/03/19

Activity	Issue Date	Assurance	Total Actions	Actions Imp	Priority of Overdue Actions			Actions not due
					High	Medium	Low	
Special Educational Needs and Disability Reform	Dec 2017	Substantial	5	4	1	0	0	0
Client Contributions policy	Nov 2017	Limited	9	7	0	2	0	0
Information Governance	Dec 2017	Substantial	7	6	0	1	0	0
Budget Management	Jul 2018	Substantial	5	4	0	1	0	0
Medium Term Finance Plan	Nov 2017	Substantial	3	2	0	1	0	0
Capital Programme	Apr 2018	Limited	7	4	3	0	0	0
Business Continuity and Emergency Planning	Feb 2016	Limited	4	3	1	0	0	0
Total			40	30	5	5	0	0

Comparison of Assurances

Corporate

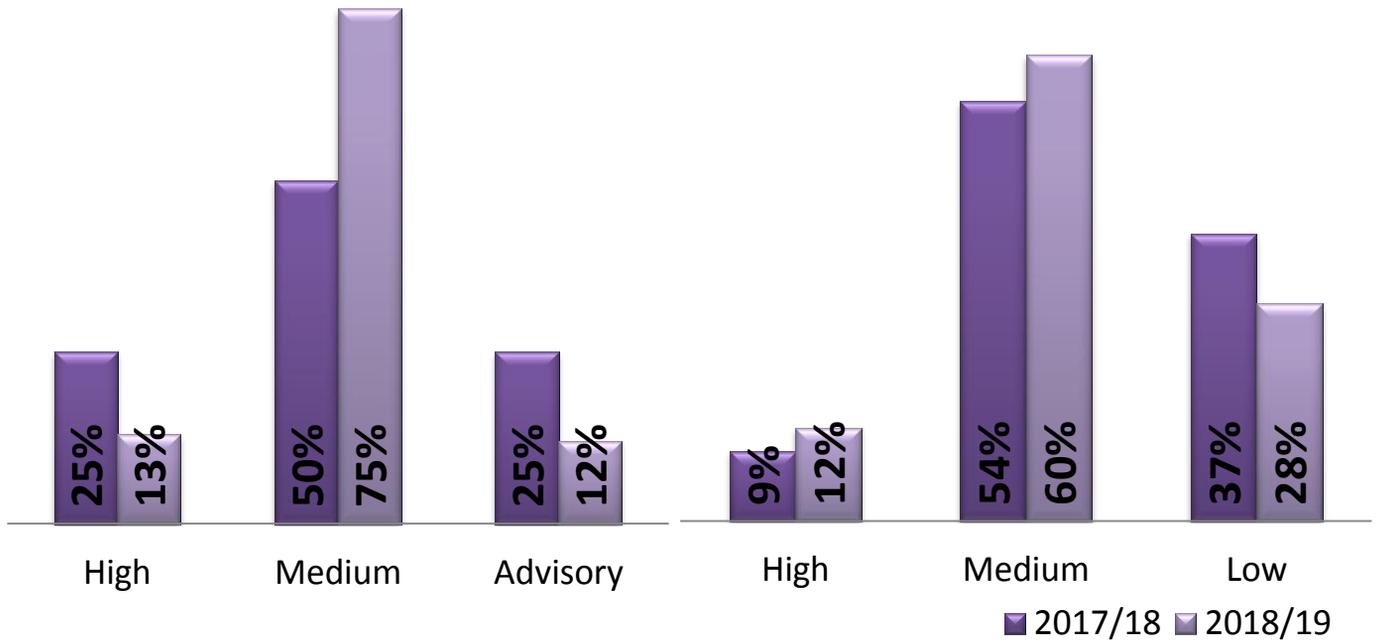
Schools



Comparison of Recommendations

Corporate

Schools



Performance on Key Indicators

Performance Indicator	Annual Target	Actual
Percentage of plan completed	100%	100%
Percentage of recommendations agreed	100%	97%
Percentage of recommendations implemented	100% or escalated	99%
Timescales:		
Draft Report issued within 10 days of completion	100%	78%
Final Report issued within 5 days of management response	100%	96%
Draft Report issued within 3 months of fieldwork commencing	80%	80%
Client Feedback on Audit (average)	Good to excellent	Good to excellent

High

Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.

The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.

Substantial

Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.

Limited

Our critical review or assessment on the activity gives us a limited level of confidence (assurance) on service delivery arrangements, management of risks, and the operation of controls and / or performance. The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.

Low

Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.

Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact.

Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Head of Internal Audit Annual Opinion

The rating, conclusion and/or other description of results provided by the Head of Internal Audit addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the Head of Internal Audit based on the results of a number of individual engagements and other activities for a specific time interval.

Governance

Comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the outcomes for intended stakeholders are defined and achieved.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Control

Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management - plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Impairment

Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations (funding).