

# Internal Audit Progress Report



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## Lincolnshire County Council March 2019

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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.

# Introduction

The purpose of this report is to:

- Provide details of the audit work during the period 11<sup>th</sup> January 2019 to 12<sup>th</sup> March 2019
- Advise on progress with the 2018/19 plan
- Raise any other matters that may be relevant to the Audit Committee role

## Key Messages

During the period we have completed thirteen audits:

- 6 final assurance reports
- 3 consultancy reports
- 4 School audit reports

## Assurances

The following audit work has been completed and a final report issued:

High Assurance:

- Health and Safety
- Pension Admin

Substantial Assurance:

- Interests, Gifts and Hospitality Registers (Members)

Limited Assurance:

- Cyber Security
- Tax Compliance Employee Expenses and Benefits
- Interests, Gifts and Hospitality Registers (Officers)

## Consultancy Report

The following audit work has been completed and a final report issued:

- Local Enterprise Partnership
- Heritage Phase 2
- Governance Review – Culture and Values

Note: The assurance expressed is at the time of issue of the report but before the full implementation of the agreed management action plan. The definitions for each level are shown in Appendix 1.



# High Assurance

The scope of the audit was to assess the adequacy of arrangements in place, including:

- **Policy** – Effective health and safety policies set a clear direction for the Council to follow
- **Organisation** – An effective management structure and arrangements are in place for delivering the policy
- **Reviewing Performance** – The Council learns from all relevant experience and applies the lessons to the whole system to improve risk control.

## Health and Safety

It was identified that a strong team was in place with effective policies, although a review schedule needs to be established for these. Following the move back to an internal service, substantial changes and developments have been made to ensure the efficiency of the service provision and Health and Safety as a whole across this authority. This was clearly shown across the course of the audit.

Note that this audit was completed by a neighbouring Authority to ensure a independent and objective opinion.

West Yorkshire Pension Fund, who deliver the Council's Pension Administration, has engaged an Internal Audit service. This is provide by Bradford Metropolitan District Council (MDC) who deliver an annual audit plan, this was 270 days in 2018/19.

We reviewed the outcomes of the pension administration audits for the end of 2017/18 and 2018/19. They are:

- New Pensions and Lump Sums – Deferred Pensions = Effective
- Reimbursement of Agency payments = Mostly Effective
- LGS Contributions = Excellent
- New Pensions and Lump Sums – Ill Health Pensions = Good
- New Pensions and Lump Sums – Fire Service Pensions = Good

## Pensions Admin

Completed audits are reported to the WYPF Governance and Audit Committee, and the Pension Boards. Agreed actions are tracked and the Audit Manager confirmed that all have been implemented within agreed timescales.

# Substantial Assurance

## Interests, Gifts and Hospitality Registers (Members)

We found the Member Code generally being met but recommendations for better practice and increased transparency have been identified. We have given a Substantial assurance rating

# Limited Assurance

## Cyber Security

The National Cyber Security Centre has identified 10 steps for cyber security to help organisations manage cyber risks. A further 2 steps were introduced by the National Audit Office in their publication "Cyber security and information risk guidance for Audit Committees". Our review covered these 12 steps. Cyber Security remains a Strategic Risk for the Authority and is monitored on an ongoing basis.

The outcome of our work will be covered by the agenda item IMT update

## Tax Compliance Employee Expenses and Benefits

This review focussed on expenses and benefits, purchasing card use and that pool cars / fleet vehicles, both at LCC and Fire & Rescue, were used appropriately for tax purposes.

Our review established that clear responsibility for ensuring compliance with HM Revenue & Customs (HMRC) requirements relating to employee benefits and expenses has not been identified since the officer previously responsible left more than 4 years ago. In the interim HMRC dispensations have been replaced and there is no indication that the Council has taken steps to confirm we have the correct exemptions/agreements and reporting arrangements in place for current employee expenses and benefits. Business process and recording arrangements have also changed since the implementation of Business World and these may also impact on our compliance. Our work also highlighted areas where the Council's Relocation Policy is not being complied with.

## Interests, Gifts and Hospitality Registers (Officers)

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. Officers Interests Gifts and Hospitality has therefore been given Limited assurance.

# Consultancy Report

## Local Enterprise Partnership

The Ministry of Housing, Communities and Local Government brought out a revision to the National Local Growth Assurance Framework guidance in January 2019. This new guidance outlines their expectations on what should be included in LEP's Local Assurance Frameworks from 1<sup>st</sup> April 2019. LEP's are required to review and refresh their frameworks using this latest guidance.

We were asked by the Greater Lincolnshire Local Enterprise Partnership (GLLEP) on a consultancy basis to compare their Local Assurance Framework (last reviewed Feb 18) with the revised guidance and highlight any weaknesses or missing information to allow updates to be made.

We will follow this up as part of the 19/20 audit plan as an assurance review and ensure that all recommendations have been actioned.

## Heritage Phase 2

The Heritage Service is seeking to move from a traditional micro-site approach, managing individual sites and individual collections within those sites, to a supersite approach, creating multi-purpose progressive sites to showcase the county's heritage through all engagement mediums. The changes will also improve the visitor experience, while supporting LCC's wider aspiration to become more lean and efficient.

Our audit is a consultancy review which will offer advice and support on Governance, Risk and Controls. The project has now gone to Consultation and it was agreed that our second phase review would look at the stakeholder engagement and consultation process followed by the project team.

Through conversations with the Senior Project Officer and review of documentation we were able confirm that progress of the project is on track and there were no issues to raise concern.

## Governance Review – Culture & Values

The Executive and Corporate Management Board have prime responsibility for **defining and analysing organisational culture** by promoting good ethics and values – **the outcome of this review aims to provide them with some insight and assurance on this.** This review helps support their **oversight** of the Council's ethical framework – recognised as **a key component** of good governance by all sectors and regulators. Selflessness, integrity, objectivity, accountability, openness, honesty, leadership plus stewardship of resources

The outcome of the review is being reported separately to the Audit Committee at its March 2019 meeting.



## Audit reports at draft

We have seven audit's at draft report stage:

- Property Plant and Equipment
- Records Management
- Children's Statutory Complaints
- Strategic Workforce Planning
- General Ledger
- LFR Fleet management.
- Patch Management

These will be reported to the committee in detail once finalised.

## Work in Progress

We also have twelve 2018/19 audits in progress:

- Highways 2020 Project
- Wellbeing
- Apprenticeships
- Debtors
- Creditors
- Holding Company
- IR35
- Counter Fraud review
- VAT Follow Up
- Financial Assessments
- Payroll
- Bank Reconciliation Key Control Testing

Details of these in progress audits can be seen in the 2018/19 plan at appendix 3

Audits planned for commencement in Quarter 1 19/20 include:

- Recruitment and Retention
- Local Enterprise Partnership follow up
- ICT Payment Gateway
- ICT Service Improvement Follow Up
- ICT Asset Management Follow Up
- ICT Disaster Recovery

## Other Significant work

Other key work undertaken during the period includes:

### School Audits

During this period we completed four School Audits.





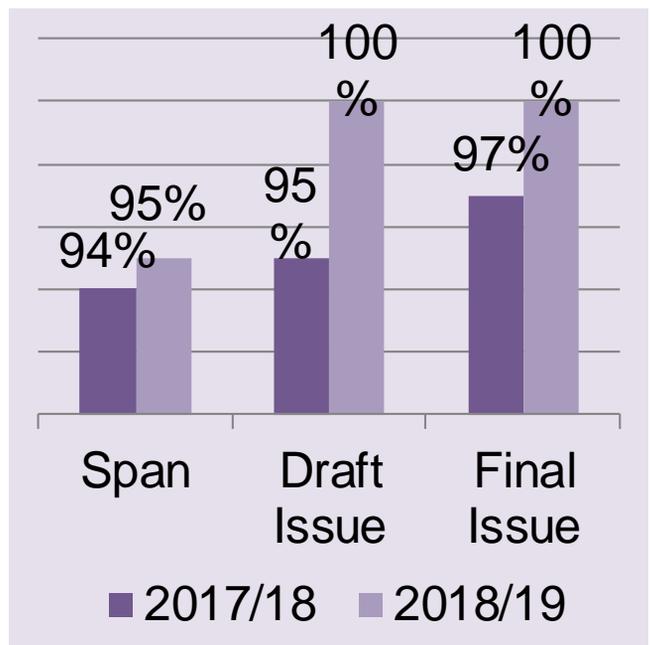
Internal Audit's performance is measured against a range of indicators. The statistics below show our performance on key indicators year to date.

## Performance on Key Indicators

# 100%

Rated our service Good to Excellent

# High achievement of Audit KPI's to date



# Other Matters of Interest

A summary of matters that will be of particular interest to Audit Committee Members

## CIPFA Better Governance Forum Update

In February 2019 CIPFA produced an audit committee update paper. This highlights recent reports from external auditors, in particular the National Audit Office report on Local Authority Governance. It also takes stock of local audit arrangements in the light of recent developments.

Understanding the work of external auditors is a key responsibility of the audit committee, and supporting and overseeing the organisation's response to the auditor recommendations is an essential role for the committee.

The report examined local arrangements, particularly those that support financial sustainability. These included:

- operation and independence of the audit committee
- priority given to ethical standards
- effective internal audit
- robust risk management arrangements
- effective scrutiny and challenge
- the right conditions for statutory officers to fulfil their roles.

The NAO surveyed the external auditors of the authorities on the extent to which they were satisfied that these arrangements were effective. In 50% of authorities, the external auditors had no concerns and 19% had concerns on one area only. However, 30% of authorities were scored as having two or more concerns, including 9% with four or more areas of concern.

The findings from the survey of external auditors was further supported by a survey of section 151 officers and a range of focus groups and interviews with stakeholders.

The document also covers the work of the Committee on Standards in Public Life who have published a report on their review of standards arrangements in English local authorities. The report, Local Government Ethical Standards, acknowledges that the vast majority of councillors and officers maintain high standards of conduct but that there is clear evidence of misconduct by some councillors, particularly around bullying and harassment.

While the report concludes that local responsibility for standards should be maintained, it recommends a number of improvements, including:

- a new model code of conduct
- extending regulations about the disclosure of interests
- strengthening and clarifying the role of the independent person
- a new sanction to suspend a councillor for up to six months
- disciplinary protection for the statutory officers in authorities (monitoring officer, section 151 officer and head of paid service) should be extended to all disciplinary action
- amendments to the Transparency Code to cover disclosures of code of conduct complaints and changes to whistleblowing.



# Other Matters of Interest

A summary of matters that will be of particular interest to Audit Committee Members

In addition, there are 15 best practice recommendations made to local authorities.

Audit committee members should take account of the report as an individual councillor or independent member, but they should also be aware of the report when considering the strength of their authority's ethical framework for the Annual Governance Statement.

**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  
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.

## Tax Compliance Employee Expenses and Benefits

### Limited Assurance

Risk	Rating (R-A-G)	Recommendations	
		High	Medium
The activity is not managed effectively	High	1	0
Non-compliance with LCC policy or HMRC regulations / legislation	High	3	3
Expense payments are incorrect	Medium	0	1
Inconsistent recording of benefit in kind deductions	Medium	0	1
Inaccurate payment to HMRC	Medium	0	1
Totals		4	6

## Background and Context

Lincolnshire County Council (LCC) is responsible for complying with tax legislation set by HM Revenue and Customers (HMRC). This involves ensuring deductions are made appropriately under Pay as You Earn (PAYE) and are properly recorded, and paid across to HMRC. LCC are also responsible for identifying, reporting and where necessary taking deductions of tax and National Insurance on employee benefits/expenses such as lease cars, relocation expenses, cycle to work schemes, payment of professional subscriptions, long service awards etc.

Many employees' benefits and expenses have previously been covered by a Dispensation or Tax Exemption with HMRC to reduce the details that have to be reported by an employer on a P11D. The latest on file is dated April 2010. Prior to agreement of this Dispensation, in February 2010 LCC engaged KPMG to undertake a review of potential areas of employment tax risk. Dispensations ceased to exist in April 2016.

Tax compliance was last reviewed in 2013 prior to transfer of services from our previous provider to our current provider and the implementation of Agresso. A substantial assurance opinion was given. A review of Lincolnshire Fire and Rescue tax compliance in 2014 resulted in a limited assurance opinion. This review focussed on expenses and benefits, purchasing card use and that pool cars / fleet vehicles, both LCC and Fire & Rescue, were used appropriately for tax purposes.

## Scope

The purpose of the review was to provide independent assurance that the Council is complying with HMRC requirements on employee benefits and expenses. We considered the Council's overarching arrangements to manage HMRC compliance, including the use of exemptions and looked in more detail at payment of relocation expenses and the contract hire/car lease schemes operated by Serco on behalf of LCC and by Lincolnshire Fire and Rescue. We reviewed sample transactions from 2017/18 and the current year.

The Council's Relocation Policy has recently been revised and will make the scheme simpler to administer with a maximum amount of £8000 that can be claimed. There will no longer be two levels of scheme available.

## Executive Summary

Our review has established that clear responsibility for ensuring compliance with HM Revenue & Customs (HMRC) requirements relating to employee benefits and expenses has not been identified since the officer previously responsible left more than 4 years ago. In the interim HMRC dispensations have been replaced and there is no indication that the Council has taken steps to confirm we have the correct exemptions/agreements and reporting arrangements in place for current employee expenses and benefits. Business process and recording arrangements have also changed since the implementation of Business World and these may also impact on our compliance. Our work also highlighted areas where the Council's Relocation Policy is not being complied with. On this basis of the work completed our assurance around this activity is Limited.

### HMRC & LCC employee benefits

There is a risk that the Council is not currently complying with HMRC requirements for recording, reporting and accounting for certain employee benefits and expenses. Previously HMRC dispensations were in place which meant the Council did not have to report some routine employee expenses to HMRC. This applied if they were paying a flat rate to their employees as part of their earnings, either a benchmark rate or a special ('bespoke') rate approved by HMRC or were paying back the employee's actual costs. This was administered by a member of staff. When she retired several years ago the file was passed to LCC Finance but no further activity or liaison with HMRC is evident. In April 2016 dispensations were replaced by exemptions. We have been unable to find any evidence that exemptions have been applied for in our discussions with officers in LCC and Serco. The Council may also need a PAYE Settlement Agreement (PSA). This allows the employer to make one annual payment to cover all the tax and National Insurance due on minor, irregular or impracticable expenses or benefits for their employees. We have been unable to establish if a PSA is held by the Council.

Since the KMPG review of potential areas of employment tax risk for the Council in 2010 there have been significant changes in business processes and the implementation of a new finance system. It is not clear how these changes (for example use of the Procurement Card for payment of employee related expenses) may impact on tax exemptions.

To address the issues we have identified the Council needs to liaise with HMRC to establish what exemptions are now needed for employee benefits & expenses and whether a PSA is needed. Whilst the likelihood of a HMRC inspection may be low, there is a risk that this could occur and penalties imposed where the Council is found to be non-compliant.

## Executive Summary

We recommend management consider more detailed review over this area of activity by an expert resource (as completed by KMPG previously) so that we can more clearly identify and quantify issues, and demonstrate pro-active management when contacting HMRC.

### Relocation Expenses

As part of our testing we reviewed details for a sample of employees receiving relocation expenses. Identifying all officers in receipt proved to be difficult as we found there is no central record of those entitled to or being paid expenses. Ideally expenses should be paid through payroll to ensure information is held in one place and any tax or NI liability can be monitored, but we found a number of expenses that had been paid using a procurement card. It is not clear how these are monitored to ensure the total payment does not exceed either LCC policy or HMRC limits. We also identified a payment direct to the bank account of an employee recruited from overseas where no supporting evidence of expenditure incurred was held. A lack of documentation increases the risk of fraud and error. HMRC may consider this payment to be a cash payment to an employee rather than a reimbursement of necessarily incurred expenditure for relocation.

We reviewed eleven employees receiving relocation expenses and found instances where the policy is not being followed:

- only two of the employees contracts make reference to relocation expenses
- an agreement had not been completed for a member of staff at LFR. Following our enquiry an agreement has now been completed for this member of staff and a further two officers
- two other agreements held were unsigned by the line manager and another could not be located as the manager at the time has since retired.
- evidence seen suggests that two employees have been overpaid
- the payment of relocation expenses to six employees is not in accordance with the policy.
- we identified one member of staff who left within 2 years but could not identify evidence that relocation expenses had been repaid.

The Council's relocation policy has recently been updated. Management should ensure that it contains sufficient guidance on the expenses that can be paid and how these should be processed. Managers need to be reminded of the requirements of the scheme, particularly to ensure that relocation agreements are signed off by both parties and securely retained for future reference.

## Executive Summary

Management also need to consider how relocation agreements and payments can be made more visible and monitored to ensure policy and HMRC regulations are complied with.

### Contract Hire – Lincolnshire Fire & Rescue

Changes in the taxation of emergency vehicles were due to be introduced in April 2018. This was included in the Finance Bill, but discussion with Lincolnshire Fire & Rescue (LFR) determined that the service was unaware of this and the impact on staff until part way through the year. The change has since been delayed until 2020. Officers responsible for tax compliance at the Council need to ensure there is liaison with LFR on any changes to legislation or the benefits / expenses that are paid to LFR officers.

Our testing identified errors in car lease deductions and mileage claims for Lincolnshire Fire & Rescue staff which we have notified to the Area Manager Corporate Support, LFR.

## Management Response

This review has been most helpful in identifying a deficiency in the oversight of taxation matters relating to employee expenses and benefits that has, unfortunately, existed for around 4 years. The findings, conclusions and recommendations are accepted in their entirety. Responsibility for these matters will be fully embraced by the Council going forward with specialist tax advice being used to ensure current processes and documentation are up to current HMRC expectations. In addition a tax advisory service will be engaged to ensure the Council keeps fully up to date with future developments in the area.

*David Forbes, County Finance Officer*

## Interests, Gifts and Hospitality Registers (Officers)

### Limited Assurance

Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Conflicts of Interest are not being declared and managed	Medium	0	2
Declaration forms and register are not accurate or complete	Medium	0	5
Register is not being maintained by Democratic Services	Medium	0	2
<b>TOTAL</b>		<b>0</b>	<b>9</b>

## Background and Context

Integrity is one of the seven key principles recommended by the Nolan Committee. Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

The Code of Conduct for Council Employees supplements the terms and conditions of employment and supports the Councils Core Values and Behaviours Framework. It encompasses guidance from the National Code of Conduct and is based on the key principles of public life recommended by the Committee on Standards in Public life (the Nolan Committee). The Code provides guidance to all employees and sets out the requirements for declaring and registering personal interests and gifts. It expects employees to refuse personal gifts and hospitality unless they are of "token value" or appropriate in the conduct of normal business.

The Members Code of Conduct in Part 5, Section B of the Constitution sets out the behaviours expected of members and added members and the requirement for them to comply with the Council Values Statement Guidance. It was adopted in 2012 and complies with the current regulatory requirements. Recent guidance on Local Government Ethical Standards Report published in January 2019 gives the Council the opportunity to review its arrangements.

The Localism Act provides for registration and disclosure of interest and the Code states that to comply with this, members must notify the Monitoring Officer of any "disclosable pecuniary interests" as prescribed by the secretary of state.

## Scope

To provide assurance over the management and application of Interests, Gifts and Hospitality policy and registers.

## Executive Summary

### Officers 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. Officers Interests Gifts and Hospitality has therefore been given **Limited** assurance.

The policy for the declaration of Interests, Gifts and Hospitality, included in the Code of conduct for Employees, is contradictory and the interest registration form is not aligned with the code. This makes it difficult to declare interests accurately and makes it more difficult for the authority to identify fraud, protect individuals and prevent bribery. Forms are also not fit for purpose and fail to capture key information (eg personal interests).

The quality and quantity of declarations needs to be improved with many of the forms details not complying with the policy.

The code requires a reason for accepting a gift to be entered in the register, this is not being done.

The Council needs to review the layout of the Officer Interests registration form to ensure that the information required complies with the policy and the form aligns with the code of conduct.

Ensuring consistency between the forms and the requirements set out in the Code of Conduct and carrying out a plain English review on the policy and code would provide greater clarity to officers wishing to make declarations of Interest.

Providing additional guidance and simplifying the language in the code will limit inconsistency in decision making and reduce the number of deviations from the code of conduct relating to the acceptance of gifts and hospitality.

The policy contains inconsistencies resulting in incomplete and inaccurate declaration forms.

## Executive Summary

### Members Interests, Gifts and Hospitality

**We found the Code generally being met but recommendations for better practice and increased transparency have been identified. We have given a Substantial assurance rating**

Members are declaring disclosable pecuniary interests and there is guidance in place to assist them to meet the requirements of the legislation, however this guidance has not always been followed resulting in some forms providing insufficient detail.

The code of conduct for members was adopted in 2012 – public expectations around transparency and accountability have changed since that time. A report published by the Committee on Standards in Public Life (issued in January 2019) sets out recommendation and good practice guidance. This provides a good opportunity for the current Code to be reviewed.

### Management of the Registers:

The Head of Democratic services informed us that regular reviews are under taken. We acknowledge that records were kept on email however we saw no evidence of a robust monitoring system or evidence that checks were performed. The Council need to ensure that any checks, reviews and assessments are evidenced and demonstrate assurance on compliance with policy and legislation. A central record of emails has been created subsequent to our audit work.

There is no evidence to show how conflicts of interest are managed by line managers or any guidance to assist with this. The lack of detail in the register held in democratic services suggests that it is not a central register and that teams may be making declarations to their line managers. This could cause disconnect between the management of declarations of interest by line managers and the central register.

## Management Response

We take very seriously our joint responsibility to ensure that both officers and members have adequate opportunity to declare their interests and gifts and hospitality openly and transparently. This is fundamental to providing confidence that holders of public office are acting appropriately and in the public interest.

We are therefore heartened to learn that during their work internal auditors found grounds for substantial assurance in relation to members interests and did not identify any significant or high risks that they felt should be considered for inclusion on our risk register.

We note the Report of the Committee on Standards in Public Life and acknowledge that there is currently no specific policy for declaration of personal interests by members, although there is evidence that members do make such declarations at meetings.

While it is acknowledged that at the time of the initial meeting with internal auditors there was no evidence of robust management of the registers available, that evidence has since been gathered and collated. This will be updated as checks continue to be carried out to ensure compliance.

Management will review the Council's policies and practices in the areas of interests and gifts and hospitality, of both Members and employees, to ensure they are fit for purpose.

This review will seek to remove any confusion regarding the requirements of those officers making declarations and provide a framework for a robust system that will lead to improved assurance.

Management will engage with Members and employees to ensure they are fully aware of their responsibilities.

We will review the Council's current Member code in light of the Committee on Standards in Public Life report. A report will be considered by the Council's Audit Committee.

*Nigel West - Head of Democratic Services*

Audit	Scope of Work	Start Planned date	Start Actual date	End Actual date	Status/ Rating
LCC 2018/19-01 - Highways 2020 Procurement Programme	This consultancy assignment will offer support and advice on the programme throughout its journey of re-procurement and contract start in April 2020	15/11/17	01/04/18		Consultancy support in process
LCC 2018/19-02 - Heritage (Phase 2)	Our review will provide the Heritage Service with support and advice during the project to help ensure it is appropriately managed, and that the process is on track to deliver its outcomes. This project needs to identify and present the best options available for the Council to agree, and the future of the Heritage Service depends upon the successful implementation of this agreed method. It is therefore essential that the project has captured and presented the information accurately to allow for a decision to be made from the available options.	15/09/17	01/03/18	01/05/18	Phase complete
LCC 2018/19-03 - Domestic Homicide Review	The audit aims to provide assurance to management that processes for Domestic Homicide Reviews meet legislative requirements and reflect best practice. In addition the audit seeks to provide assurance that reviews have been satisfactorily followed up, with LCC owned actions having been implemented or progressed and lessons learnt embedded.	15/05/18	21/05/18	25/10/18	Substantial Assurance (Complete)
LCC 2018/19-04 - Workforce performance and reward	Assurance that there is a consistent and fair approach planned for linking employee increments to performance from 2018/19				Rolled forward to 19/20 plan at request of HR
LCC 2018/19-05 - Interests, Gifts and Hospitality Registers	To provide assurance over the management and application of Interests, Gifts and Hospitality policy and registers	11/10/18	11/10/18		Officers Limited. Members Substantial (complete)
LCC 2018/19-06 - Corporate Support Services Commissioning	To provide ongoing insight and advice around project management, governance, risk and control.	01/03/18	01/03/18	30/9/18	Consultancy support complete

Audit	Scope of Work	Start Planned date	Start Actual date	End Actual date	Status/ Rating
LCC 2018/19-07 - Recommissioning of Domestic Abuse Support Service	To provide assurance around the commissioning and contract management of domestic abuse service for standard & medium risk victims and IDVA, including the approach to services for DA perpetrators	23/04/19			Cancelled due to timing by Director
LCC 2018/19-08 - Strategic Workforce Planning	To provide independent assurance that appropriate senior management succession planning is in place at LCC.	01/05/18	30/05/18		Draft report
LCC 2018/19-09 - Corporate Complaints, Compliments and Comments	Our review will aim to provide assurance that the complaints, compliments and comments process is fit for purpose and is meeting it's targets in resolving customer complaints at the earliest opportunity.	05/04/18	05/04/18	05/07/18	Substantial Assurance Complete
LCC 2018/19-10 - Records Management	Records Management processes are in place and consistently applied so as to ensure compliance with the General Data Protection Regulation.	01/10/18	21/11/18		Draft report
LCC 2018/19-11 - Cash Management in Registration Service	To gain assurance that management arrangements for income and imprest at Council Establishments ensure risk of loss or misappropriation is adequately controlled.	12/04/18	05/07/18	22/10/18	Substantial Assurance Complete
LCC 2018/19-12 - Transport Connect Assurance Review	Assurance over the governance arrangements of this Teckal company owned by LCC to help inform the annual governance statement	03/04/18	03/04/18	21/08/18	Complete
LCC 2018/19-13 - Operation Dovetail (counter terrorism)	Support and advice on the upcoming transfer of PREVENT activities from the Police to the Local Authority	13/03/18	27/09/18	27/09/18	Removed – transfer cancelled
LCC 2018/19-14 - School Admissions Software	Confirmation that the risks regarding implementation of the new admissions software have been managed to minimise the disruptions to schools.	01/08/18	01/08/18	09/11/18	High Assurance (complete)
LCC 2018/19-15 - Mosaic - Adult Care and Community Wellbeing	Review the effectiveness of Mosaic across Adults in meeting business needs.	01/05/18	02/05/18	28/05/18	Substantial Assurance (complete)

Audit	Scope of Work	Start Planned date	Start Actual date	End Actual date	Status/ Rating
LCC 2018/19-16 - Good Governance Review – Culture and Ethics	Assurance that governance arrangements are working effectively to manage Ethics, Partnerships and Transparency. To be conducted from a member perspective.	01/04/18	01/04/18		Final report
LCC 2018/19-17 - Health & Safety	Assurance that the Council's arrangements to manage Health and Safety are adequate and effective.	01/10/18	01/10/18	10/03/19	High Assurance (complete)
LCC 2018/19-18 - Counter fraud arrangements	Assurance that the Council's management of Counter Fraud arrangements are adequate and effective.	01/10/18	20/02/19		Fieldwork stage
LCC 2018/19-19 - Cyber Security	Assurance over the Council's arrangements for mitigating the latest cyber security threats. Internal Audit shall identify the latest cyber security threats and determine whether the arrangements to protect against them and recover from them are appropriate and adequate.	10/01/18	10/01/18		Limited assurance (complete)
LCC 2018/19-20 - Mosaic Application Review	The review will focus on system security, particularly in the following areas: System security (access controls) Performance (accuracy and timeliness) Operating procedures Back-up and recovery Change control	12/03/18	12/03/18	13/09/18	Substantial Assurance (Complete)
LCC 2018/19-21 - Emergency Planning Command Structure	To provide assurance around the plans being put in place to address command resource and support availability for major EP events.	25/06/18	03/09/18	17/12/18	Substantial Assurance (Complete)
LCC 2018/19-22 - Programme / Project Management Support	Assurance that the programme / project support function is effective in supporting management on key programmes and projects	03/07/18	11/07/18	05/12/18	Substantial Assurance (complete)
LCC 2018/19-23 - Members Allowances Scheme	Assurance that a robust policy is in place, applied and payments to members are timely, appropriate and accurate.	26/06/18	10/09/18	20/11/18	Substantial assurance (Complete)

Audit	Scope of Work	Start Planned date	Start Actual date	End Actual date	Status/ Rating
LCC 2018/19-24 - Heritage Service Operating Model Change Programme	To provide the Heritage Service with support and advice during the project to help ensure it is appropriately managed, and that the process is on track to deliver its outcomes.	02/07/18	05/07/18		3 <sup>rd</sup> phase On hold until Q1 2019
LCC 2018/19-25 LEP Review	LEP team are meeting the requirements of the Governments 2017 review	10/01/19	21/01/19	31/01/19	Final report (consultancy)
LCC 2018/19-26 - Cash Management in establishments - Business Support	To gain assurance that management arrangements for income at Council Establishments ensure risk of loss or misappropriation is adequately controlled.	01/07/18	10/08/18	25/10/18	Substantial Assurance Complete
LCC 2018/19-27 - Cash Management in Establishments - Heritage sites	To gain assurance that management arrangements for income at Council Establishments ensure risk of loss or misappropriation is adequately controlled.	01/07/18	05/07/18	25/10/18	High Assurance Complete
LCC 2018/19-28 - Cash Management in establishments - Eastgate Children's Home	To gain assurance that management arrangements for income at Council Establishments ensure risk of loss or misappropriation is adequately controlled.	01/07/18	05/07/18	25/10/18	High Assurance Complete
LCC 2018/19-29 - Cash Management in Establishments - Music Service	To gain assurance that management arrangements for income and imprest at Council Establishments ensure risk of loss or misappropriation is adequately controlled.	01/07/18	05/07/18	25/10/18	Substantial Assurance Complete
LCC 2018/19-30 - Local Transport Capital Funding Grant 2017-18	To confirm that the expenditure complies with the conditions of the Grant and the funding received agrees to the Grant determination letter.	12/07/18	12/07/18	06/09/18	Complete – grant signed
LCC 2018/19-31 - Payroll Interim Audit 2018/19	Assurance that the payroll processes and controls are working effectively	24/07/18	04/09/18	20/11/18	Substantial Assurance Complete
LCC 2018/19-32 - Children's Service Statutory Complaints	Assurance that robust procedures are in place to manage and monitor statutory complaints and that lessons are shared from these to ensure learning and improvements	01/09/18	05/11/18		Draft report
LCC 2018/19-33 - Supplier Reliability	Lessons learned review of management of the impact on Lincoln Eastern Bypass when contractor Carillion collapsed.	20/07/18	20/07/18	20/11/18	High assurance (Complete)

Audit	Scope of Work	Start Planned date	Start Actual date	End Actual date	Status/ Rating
LCC 2018/19-34 - SEND Home Tuition	Assurance on provision of temporary home tuition to SEND children that require school places with a focus on provider monitoring including safer recruitment processes.	28/08/18	28/08/18	5/11/18	Substantial Assurance (Complete)
LCC 2018/19-35 - Families Working Together	Audit sign off as per the requirements of the grant	06/05/18	06/05/18	05/09/18	Complete
LCC 2018/19-36 - PCI – DSS	Assurance that the Council fulfils all PSI DSS statutory requirements	01/08/18			Delayed due to project being at an early stage
LCC 2018/19-37 - Capital Strategy and capital Receipts	Seeking to gain assurance that ; ·LCC has adequate plans to fulfill emerging legislation relating to capital strategy ·management of capital receipts is transparent and complies with legislation	02/08/18	13/08/18	19/12/18	Receipts-Limited assurance Strategy– Substantial assurance (Complete)
LCC 2018/19-38 - Proportionate auditing for Direct Payments	To review the impact of the implementation of the Direct Payments Proportionate Auditing Guidance on the effectiveness of the Direct Payments auditing process.	02/08/18	10/9/18	29/11/18	Consultancy report - Complete
LCC 2018/19-39 - Tax Compliance Construction schemes	That the Council is consistently meeting tax reporting requirements of HMRC, to include Real time information reporting, CIS and employee expenses.	01/08/18	06/09/18	17/12/18	High assurance (Complete)
Tax compliance Employee expenses and benefits	As above	01/08/18	06/09/18	31/01/19	Limited Assurance (complete)
LCC 2018/19-40 - Bus Service Operators Grant 2017-18	Audit to validate all expenditure on the return has been spent on eligible schemes. In preparation for sign off and return to the Department for Transport (grant making body).	22/08/18	22/08/18	25/09/18	Complete – grant signed
LCC 2018/19-41 Apprenticeships	To provide independent assurance over the extent to which services are effectively able to use the apprenticeship reforms to develop the workforce for both current and future needs and compliance with Government Requirements	15/10/18	01/11/18		Fieldwork in progress

Audit	Scope of Work	Start Planned date	Start Actual date	End Actual date	Status/ Rating
LCC 2018/19-42 - VAT follow up	To follow up previous VAT audit in 17/18	06/09/18	19/02/19		Fieldwork stage
LCC 2018/19-43 - Pension Fund Asset Pooling	That fund management remains effective and efficient and has successfully implemented the changes necessary for Pension Fund Asset Pooling	10/09/18			Planned Q4
LCC 2018/19-44 - Assurance assessment re NCC	Review of the report from Northampton County Council and benchmarking against the issues identified in that report	06/07/18	06/07/18		On going
LCC 2018/19-45 - LFR Fleet Management	To provide assurance on the adequacy and effectiveness of the fleet management contract for Lincoln Fire and rescue.	18/10/18	20/11/18		Draft report
LCC 2018/19-46 - Patch Management	To provide assurance that IT vulnerabilities are identified and minimized through patch management.	23/10/18	04/12/18		Draft report
LCC 2018/19-47 – Property , Plant & Equipment	The purpose of this review is to provide independent assurance that the Council is complying with the accounting policy and legislation for Plant, Property and Equipment..	12/12/18	12/12/18		Draft report
LCC 2018/19-48 - Wellbeing	To revisit Wellbeing service to ensure that it is working efficiently and effectively	10/01/19	25/02/19		Fieldwork stage
LCC 2018/19-49 – Recruitment and retention	Assurance that procedures in place for the recruitment of staff to the Authority maximize the chance of successful appointments.	08/01/19			Planned
LCC 2018/19-50 – IR35	Assurance the Council has implemented and consistently applies IR35 correctly	01/01/19	05/02/19		Fieldwork stage
LCC 2018/19-51 – Pensions administration	To analyse and report on the outcomes of West Yorkshire pension funds internal auditors report	22/02/19	22/02/19	07/03/19	High Assurance (complete)
LCC 2018/19-52- Families Working Together 2	Audit sign off as per the requirements of the grant	12/12/18	12/12/18	19/12/18	Completed (consultancy)
LCC 2018/19-53- Holding Company	To review & provide assurance around the set-up of the Holding Company, governance arrangements, and the business case for the subsidiary company	22/01/19	14/01/19		Fieldwork stage

Audit	Scope of Work	Start Planned date	Start Actual date	End Actual date	Status/ Rating
LCC 2018/19-54- General Ledger Key Control Testing	We will be carrying out testing of the General ledger process covering: <ul style="list-style-type: none"> <li>control accounts</li> <li>suspense accounts</li> <li>holding accounts</li> <li>Journals</li> </ul>	21/01/19	23/01/19		Draft report
LCC 2018/19-55- Accounts Receivable (debtors) key control testing	The purpose of the review is to provide assurance that: Key controls are in place within the Accounts Receivable system Controls are consistently operated Transactions examined are complete and accurate.	05/03/19	05/03/19		Fieldwork stage
LCC 2018/19-56- Bank Reconciliation Key Control Testing	We will be carrying out testing of the bank reconciliation process covering: <ul style="list-style-type: none"> <li>System access</li> <li>Reconciliation</li> <li>Separation of duties</li> <li>Independent approval</li> </ul>	07/03/19	07/03/19		Fieldwork stage
LCC 2018/19-57- Financial Assessments	To gain assurance that the processes and controls put in place to improve the efficiency of processing Financial Assessments, are effectively mitigating the safeguarding and financial risks around this process.	11/03/19			Planned
LCC 2018/19-58- Accounts Payable (Creditors) Key Control Testing	The purpose of the review was to provide assurance that: <ul style="list-style-type: none"> <li>key controls are in place within the accounts payable system</li> <li>controls are consistently operated</li> <li>transactions examined are complete and accurate</li> </ul>	14/02/19	05/03/19		Fieldwork stage
LCC 2018/19-59- Payroll Key Control Testing	Provide independent assurance that appropriate controls are in place and operating in HR Admin & Payroll systems and processes, payroll payments are bona fide and correct and that payments comply with local and statutory regulations	15/02/19	15/02/19		Fieldwork stage