

Internal Audit Progress Report



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Lincolnshire County Council June 2020

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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 14th January 2020 to 22nd May 2020
- Raise any other matters that may be relevant to the Audit Committee role

Key Messages

Assurances

The following audit work has been completed

High Assurance:

- Financial Strategy (MTFP) and Budget Preparation
- Mosaic System – Children’s
- Children in Need
- Bank Reconciliation

Substantial Assurance:

- Property Health & Safety – Legionella Bacteria
- Impact Assessments
- Recruitment and Selection Checks
- Pension Administration
- General Ledger

Consultancy Report:

- Spalding Western Relief Road

Audit reports at draft

We have 7 audits at draft report stage:

- Business World - System Administration Access
- Contracts management review – consultancy audit
- Debtors
- Payroll & HR Admin
- Accounts Payable
- Carers follow up (interim report issued)
- Annual Care assessments



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 conditions for each level are shown in **Appendix 1**.

Introduction

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Key Messages

Our audit plan for 2019/20 is almost complete – the 5 audits that remain in progress will be concluded before the end of June. The onset of the **Covid 19** pandemic and subsequent lockdown has created some delays in finishing work and finalising draft audit reports. Seven other audits (including 4 ICT audits that were scheduled with specialist resources for May 2020) have been deferred and will be included in planned work for 2020/21. **We have delivered 94% of our revised audit plan (excluding ICT).**

The onset of Covid19 and subsequent lockdown has had a significant impact on all areas of the public sector. The impact on governance will be felt by all organisations and there will be some aspects experienced by all, for example changes to decision making arrangements and the conduct of meetings. Other aspects will reflect changes to priorities and programmes.

A proposed 2020/21 audit plan was prepared for the Audit Committee in March 2020 - this meeting was cancelled as a result of Covid-19. We have attached the original draft plan in **Appendix 5.**

We propose to review the 2020/21 plan, in consultation with senior management – taking into account the current risk profile and recovery plan . A revised plan will be taken to the Corporate Leadership Team and Audit Committee in September. – focussing on where we can add most value and assurance to the Council.

We have re-prioritised our work from April to date to support the Council's response to the pandemic. Through proactively liaising with senior managers we have provided advice on risk and control and are undertaking some consultancy activities. These include:

- advice on processes for the payment of Councillors' grants, submission of relief staff pay claims and lease car expense claims.
- support and advice to the project overseeing the future Transformation developments
- review of letters to unpaid carers advising them on where to seek advice and to schools on payments to contractors.
- support and advice to the project overseeing the future development in Direct Payment system.
- support and advice to the project overseeing the future development of carers emergency response scheme.
- Public Health with a root cause analysis around the procurement of PPE face masks.

Introduction

The purpose of this report is to:

- Provide details of the audit work during the period 14th January 2020 to 22nd May 2020
- Raise any other matters that may be relevant to the Audit Committee role

During lockdown the project to move the Council's Enterprise Resource Planning (ERP) system, Business World (BW) to a 'standard version' on the Hoople platform is continuing.

The system delivers services including finance, HR, payroll, payment processing and income management. The Hoople 'standard version' is already used by other local authorities including Herefordshire and Rutland County Councils. For Lincolnshire the greatest challenge and risk to project delivery will be Change Management. The engagement with stakeholders and culture change required to prepare the Council for changes in business processes will be **essential** for effective use of BW going forward. Internal Audit will provide independent assurance around the project (including business change and engagement / governance) and redesigned business processes.

Risk and issues facing the Council are also being updated and reported to the Corporate Leadership Team fortnightly.

Follow up of improvement actions

In preparation for the March 2020 Audit Committee we followed up progress with the implementation of agreed management actions due for completion by the 1st February (see summary at Appendix 2) and confirmed that 82% of these have been actioned. Of those outstanding a number have been delayed due to other priorities and are now due to be completed in early 2020.

For other activities management actions are linked to process and build changes in the BW redesign project.

A further update on outstanding actions will be included in the Annual Report.

Resources

During February and March we completed a successful recruitment. Your new Audit Manager – Matthew Waller started on 1st April 2020 (an internal promotion) and we increased senior auditor capacity. We have supported staff remotely through induction and training.

Monitoring processes to track the position of all planned and outstanding audits have been strengthened.

High Assurance

Medium Term Financial Strategy and Budget Preparation

Our review of medium term financial planning and budget preparation confirmed that processes followed are well defined and controlled and there are clear stages that allow for robust scrutiny and challenge before the final budget is approved by Full Council. A more in depth budget review has been completed through the Budget 2020 project and the Finance Team has plans in place to update Members on Financial Resilience and address any gaps in compliance with the CIPFA Financial Management Code by April 2021.

Mosaic System - Children's

We reviewed the effectiveness of the Children's Mosaic system in meeting the business needs of the user. To do this we interviewed a sample of officers including managers, practitioners, practice supervisors and some officers who access Mosaic as an external organisation.

All gave the system a score for all questions of either good, very good or excellent. We also found that there were many areas of good practice; regular feedback meetings at different operational levels and future development plans in place for Mosaic are in place. A High audit rating has been given in recognition of the positive feedback we received from the staff we interviewed and the areas of good practice that we identified during the audit.

Children in Need

Our audit work confirmed that the Child and Family assessment process is working well and that all those identified as a "Child in Need" have been assessed within expected time frames. The assessments tested in the audit were found to meet the requirements of the "Working together to Safeguard Children" statutory guidance. This assessment is supported by an Ofsted inspection in May 2019 which found assessments to be timely, comprehensive and of good quality.

Bank Reconciliation

Our review of Bank reconciliation procedures found that key controls have continued to work effectively throughout the year. We found that there were good governance and access control in place. Bank reconciliations were performed on a timely basis and were reviewed and authorised correctly.

Substantial Assurance

Property Health and Safety – Legionella Bacteria

Our work confirmed that there are processes in place to manage the control of legionella bacteria in water systems inside council premises. These processes are generally well managed, with good governance in place and compliance with the Health and Safety Executive's legislation L8.

We did however identify that some risk assessments were not carried out within the 2 year deadline and for the cases tested there was an average delay of 5 weeks between the date the assessment was carried out and the date it was entered onto the Concerto system. Therefore the main recommendations related to the fact that the timeliness of risk assessments needed to be improved.

Impact Assessments

Our review confirmed that overall the process for completing Equality Impact Assessments (EIA's) is working effectively. Controls are in place to ensure that assessments are completed when required and to a satisfactory standard, ensuring that the Authority can evidence compliance with the Public Sector Equality Duty. From a sample of 35 reports we identified that 21 included a fully completed EIA, and 2 made reference to equality having been considered. The remaining 12 did not complete an EIA which we found reasonable based upon the content.

We made some recommendations to strengthen the process including clearer definition of overall corporate ownership, and the requirement to ensure that all staff completing the EIA's complete Lincs2learn training to ensure a consistent level of quality.

Recruitment and Selection checks

The Council has arrangements in place to process recruitments using the U4R system which are designed to ensure that the process is fair, transparent and that appropriate pre-employment checks are completed ensuring the Council employs suitable individuals. As with most processes, success is reliant on manager compliance and we identified only minor exceptions. The Council currently has appropriate training and recruitment policies / guidance available to support compliance.

Our audit report makes a number of recommendations around areas for improvement including to policies, recruitment resources and training which can feed into the reviews the HR service already has underway.

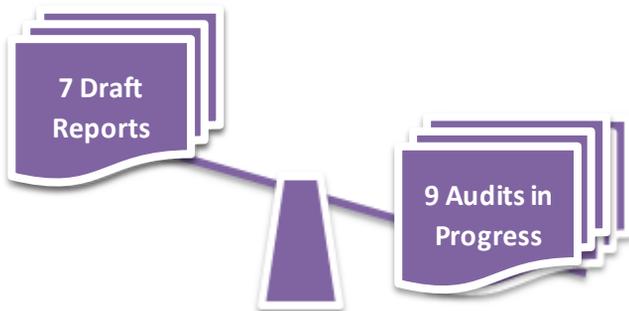
Substantial Assurance

General Ledger

Our testing of General ledger key controls found that the majority are in place and working effectively. General ledger Virements, Journals, Holding accounts and Suspense accounts were all found to be working well. The Control accounts reconciliations process could be strengthened since they are presently not performed on a cumulative basis. This issue is being addressed.

Pensions Admin

Our review of the audit reports completed by Bradford MDC (WYPF audit provider) enable us to place assurance on effectiveness of the controls within the Pensions Admin system. We noted that the audit around the Accuracy of contributions recorded on member records has a lower level of assurance and that this will reflect similar issues with LGPS members. We intend therefore to liaise with the Bradford MDC team to confirm that management actions are fully implemented within agreed timescales. The Bradford MDC Audit Manager has also confirmed that time has been allocated in the 2020/21 audit plan to revisit this activity towards the end of that financial year.



Audits in Progress

We have 9 audits at fieldwork stage:

19/20 audits:

- Property, Plant and Equipment
- One Plan (the co-ordination of School Improvement delivery)
- LFR Grievances
- Managing Children and Young People Exploitation
- Business Continuity

20/21 audits:

- Treasury Management and Investment Strategy
- Transport Providers
- Better Care Fund
- Blue Badge Scheme Grant

Details of audits in progress can be seen at **Appendix 3** (2019/20 plan) and **Appendix 4** (2020/21 plan).

Other Significant work

Other key work undertaken during the period

Project audit work

Transformation Programme

A key Programme of work for the Council is the Transformation Programme. This sits along side the new Corporate Plan and Success Framework and supports the achievement of Corporate plan goals and outcomes.

Working with the Transformation team Audit will provide independent advice and support on governance risk management and controls throughout 2020/21.

Business World Redesign

We have been involved in 'solution design' workshops to understand the Hoople 'Standard' version of Business World (BW). The principle of the design is that the Council will adopt the 'Standard' whilst identifying any gaps and differences to our current system. These will then be progressed through an agreed governance process.

Our involvement is designed to provide assurance around the controls within the system build and allow us to support the Council in change management and developing new business processes.





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

Audit KPI's to date

Plan Delivered

94%





Other Matters of Interest

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

Maintained School Internal Audits

In July 2019 the DfE launched a consultation around possible changes to the financial transparency arrangements of academy trusts and maintained schools. The Department has been looking at ways of improving transparency in the financial health of LA maintained schools, and believe that a number of transparency measures currently used in the academy trust sector could be adapted for LA maintained schools.

As part of the consultation the DfE sought LA views on the introduction of mandatory internal audits on maintained schools at least every 3 years. Through the Head of Finance – Children’s Services we responded positively to this proposal whilst highlighting the impact on audit resources and a requirement for additional funding to support the work. We understand that the DfE is considering responses to the consultation and how the financial burdens might be funded but communication of consultation response has been delayed due to the Covid 19 pandemic.

Public Sector Audit Appointments - External Auditor Update

We received an update from the Chief Executive of Public Sector Audit Appointments Limited – giving national picture on the delivery of External Audit over the past 2 years. The key messages included:

- There are still nearly 80 opinions still outstanding for 2018/19 - which they felt is an incredibly unsatisfactory position, particularly for all the bodies and auditors concerned, and a significant concern going forward. **We obtained our opinion on time - but it was tight.**
- They have recently commissioned independent research into the sustainability of the audit market - which they plan to publish soon.
- One of the consequences of the multiple pressures and challenges which have arisen in 2018/19 audits is an increase in the number of proposed fee variations for additional audit work.
- Audits of 2019/20 accounts are approaching. In planning for this next round, PSAA has tried to address :
 - greater certainty about when the audit will take place and,
 - if it cannot be undertaken in time to meet the 31 July target, they want to know as soon as possible.
 - want early information and explanation of any fee variation.



Other Matters of Interest

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

They are currently consulting on the scale of audit fees for this year in accordance with the timetable prescribed in statutory regulations, which requires PSAA to fix the scale of fees before the start of the relevant year of account:

<https://www.psaa.co.uk/audit-fees/consultation-on-2020-21-audit-fee-scale/>

They have also identified a series of new developments which are likely to impact on the audit including revised auditing and accounting standards as well as a new Code of Audit Practice.

Again, PSAA is encouraging auditors and local bodies to consider these issues in audit planning discussions, to give proper early notice of factors which may require additional work and have implications for fees, and also to allow time for actions which might mitigate risk to the smooth conduct of the audit.

New deadlines for English Authorities

Due to the Covid 19 pandemic the accounts timetable has been changed and the regulations to amend the Accounts and Audit Regulations 2015 have now been published. This means that authorities in England have until 31 August 2020 to produce their draft Annual Governance Statement and accounts for the financial year beginning 1st April 2019. The final versions must be published by 30 November 2020.

There will be no changes to the Code for 2019/20. CIPFA's proposals to simplify and reduce the Code proved unacceptable to regulators and auditors.

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 on service delivery arrangements, management of risks, and 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.

Outstanding Audit Recommendations for all audits at 1st February 2020

Activity	Issue Date	Assurance	Total recs	Recs Imp	Priority of Overdue Recommendations			Recs not due
					High	Medium	Low	
Tax Compliance	Jan 19	Limited	10	7	2	1	0	0
	External consultants KMPG were engaged to provide additional review and advice in this area. Their report was received in December 2019 and work is progressing to address their recommendations and those of the audit report. NOTE – follow up work on this activity is included in the draft 20/21 Internal Audit plan.							
Accounts Payable	August 19	Substantial	10	5	1	4	0	0
	The remaining actions are linked to the redesign and rebuild of Business World which will not be completed until April 2021.							
Members allowance scheme	Dec 18	Substantial	6	5	0	1	0	0
	The remaining action is inked to the redesign and rebuild of Business World which will not be completed until April 2021.							
Client Contributions Policy	Nov 17	Limited	5	3	0	2	0	0
	Support brought in to review and update the policy. New completion date of April 2020 put in place.							
Budget Management	July 18	Substantial	3	2	0	1	0	0
	Finding relates to the Budget Holder Handbook which cannot be updated until the Financial Procedures have been finalised. Approval of Procedures is expected in March 2020.							
Payroll key control testing	Aug 19	Substantial	20	18	1	1	0	0
	Implementation of 2 outstanding actions has been delayed due to their reliance on the BW redesign project. One is due to be implemented early in 20/21 the other is reliant on completion of the rebuild in April 2021.							
Emergency Planning Command Structure	Dec 18	Substantial	2	0	0	2	0	0
	Brexit caused delays with availability of training staff. Training recruitment has been put in place to ensure this is delivered with a new completion date of July 2020							

Outstanding Audit Recommendations for all audits at 1st February 2020

Activity	Issue Date	Assurance	Total recs	Recs Imp	Priority of Overdue Recommendations			Recs not due
					High	Medium	Low	
Records Management	April 19	Substantial	4	2	0	1	0	1
	Base plan in place and program in development which will clear the outstanding action. This has been moved back to July 2020.							
Interests, Gifts and Hospitality Registers	March 19	Limited	9	7	0	2	0	0
	Remaining actions are linked to the Member Code of Conduct which is being developed. Will be followed up as part of the next tracker report.							
Counter Fraud Arrangements	April 19	Substantial	6	3	0	3	0	0
	Revised dates due to caseload prioritisation. New completion date of 31 st March 2020 and will be shared with Audit Committee once completed							
Health and Safety	April 19	High	2	1	0	1	0	0
	Work has progressed but not yet updated all documents. This is scheduled in and will be completed by new date of July 2020.							
Good Governance Review - Ethics	April 19	n/a	13	12	0	1	0	0
	Remaining action is being developed in line with the new LCC website. Moved back to June 2020.							
Information Governance	Jan 18	Substantial	9	8	0	1	0	0
	Final action will be completed as part of Information Governance phase 2 which has a completion date of March 2020.							
LFR Fleet Management	April 19	Limited	8	0	1	4	0	3
	Actions that were pushed back now have a completion date of 30 th June 2020 in line with the actions not yet due.							
Supplier Reliability	Nov 18	High	1	0	0	0	0	1
VAT follow up	May 19	Substantial	4	2	0	0	0	2
IR35	July 19	Limited	7	2	0	0	0	5

Outstanding Audit Recommendations for all audits at 1st February 2020

Activity	Issue Date	Assurance	Total recs	Recs Imp	Priority of Overdue Recommendations			Recs not due
					High	Medium	Low	
Financial Assessments	June 19	Substantial	4	2	0	0	0	2
	Recruitment and Selection Checks	March 20	Substantial	13	0	0	0	0
Income	Sept 19	High	2	1	0	0	0	1
Financial processes in Children's Residential Units	Oct 19	Substantial	9	8	0	0	0	1
Commercial Property Portfolio	Jan 20	Substantial	6	1	0	0	0	5
LSAB Peer Review	Nov 19	High	2	2	0	0	0	0
Coroners Case Management	Nov 19	High	1	0	0	0	0	1
Impact Assessments	Feb 20	Substantial	2	0	0	0	0	2
IMT Asset Management	Jan 20	Substantial	1	0	0	0	0	1
Follow Up	Oct 19	Substantial	8	0	0	0	0	8
Fuel Card Follow Up	Oct 19	Substantial	8	0	0	0	0	8
Vinci Contract	Aug 19	Substantial	2	1	0	0	0	1
Property H &S - Legionella	Feb 20	Substantial	9	0	0	0	0	9
Medium Term Financial Strategy and Budget Preparation	Feb 20	High	1	0	0	0	0	1
Settlements	Jan 20	Limited	12	5	2	2	0	3
TOTAL			191	97	7	27	0	60

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-01 - Transport Connect Governance Assurance	Assurance review to assess governance arrangements of Transport Connect, a company wholly owned by Lincolnshire County Council.	08/04/19	25/03/19	05/04/19	Not applicable
LCC 2019/20-02 - Business World Rebuild Project	Support and advice to the project overseeing the future development of the Business World ERP system	01/04/19	01/04/19	31/03/20	N/A Rebuild continues in 2020/21
LCC 2019/20-03 - Pension Fund	Assurance over this key system that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	01/04/19	03/04/19	30/04/19	High Assurance
LCC 2019/20-05 - Highways 2020 Procurement	Support and advice on the programme throughout its journey of re-procurement and contract start in April 2020.	01/05/19	01/04/19	12/12/19	Not applicable
LCC 2019/20-06 - Settlements	To confirm that the policy in relation to settlement agreements is robust and consistently applied across the Council	24/04/19	22/04/19	13/01/20	Limited Assurance
LCC 2019/20-07 - Recruitment and Selection Checks	Assurance that checks during the recruitment and selection processes are equitable and meet safer recruitment requirements.	02/09/19	25/09/19	01/03/20	Substantial Assurance
LCC 2019/20-08 - 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	01/10/18	March 2020		Deferred - mgt request – included in 20/21 plan
LCC 2019/20-09 - Income	Assurance over this key system that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	09/05/19	12/06/19	24/10/19	High Assurance

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-10 - Financial processes in Children's Residential Units	To review the financial processes in place at each of the 8 Children's Residential Units for procurement cards, expense claims, purchase orders and petty cash imprest operation to provide independent assurance that the processes in place are robust , consistent and in line with Council financial regulations and procurement card guidance.	01/06/19	03/06/19	10/10/19	Substantial Assurance
LCC 2019/20-11 - Commercial Property Portfolio	Assurance over the effective management of LCC's commercial office and business units.	01/06/19	05/07/19	28/01/20	Substantial Assurance
LCC 2019/20-12 - Local transport capital funding grant	To confirm that the expenditure complies with the conditions of the Grant and the funding received agrees to the Grant determination letter.	27/05/19	27/05/19	05/08/19	Not applicable
LCC 2019/20-13 - LEP Follow Up	Follow up to confirm that appropriate changes have been made to the LEP framework and it is compliant with the updated requirements from the revised guidance for LEP National Local Growth Assurance Frameworks. The key risk is that Lincolnshire's Assurance Framework does not meet the requirements of the Governments updated guidance.	01/04/19	15/04/19	29/08/19	Substantial Assurance
LCC 2019/20-14 - ICT Business Continuity and Disaster Recovery	Assurance that the Council's ICT business continuity and disaster recovery processes are in place, adequate and regularly tested.	12/06/19	April 2020		Allocated to external IT resource. Now moved to 20/21.

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-16 - LSAB peer review actions	To ensure that the recommendations made in the review are being addressed.	01/07/19	22/08/19	27/11/19	High Assurance
LCC 2019/20-17 - Personal Data Breaches	We will review the personal data breaches arrangements and provide independent assurance on the effectiveness of the processes in place.	01/08/19	30/08/19	04/11/19	High Assurance
LCC 2019/20-18 - Families Working Together #1	Review and validation of periodic claims for the Families working together programme.	02/07/19	02/07/19	08/10/19	Not applicable
LCC 2019/20-19 - Contract Management Review - Contract Payments	The scope of our work is limited to the defined 15 contracts and providing assurance that LCC: makes adequate budget provision for these contracts; pays the right amount as per the signed contract; can demonstrate it has agreed the most appropriate payment mechanism for each contract	05/08/19	05/08/19		Draft report Consultancy work
LCC 2019/20-20 - Coroner's Service Case Management	Review the new case management system and how performance is captured and reported.	05/07/19	03/09/19	22/11/19	High Assurance
LCC 2019/20-22 - Impact Assessments	Review of this key system that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	01/08/19	14/10/19	22/01/20	Substantial Assurance

Appendix 3 2019/20 Audit Plan to date

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-24 - Business World Systems Administration access	The purpose of the audit is to provide assurance that Business World (BW) Systems Administration access arrangements follow best practice and minimise the risk of fraud and error.	14/08/19	14/08/19		Draft report Limited Assurance
LCC 2019/20-25 - IMT Asset Management Follow Up	Follow up audit of the recent ICT Asset Management (Hardware) audit to confirm agreed actions have been implemented and assurance has improved.	03/06/19	03/06/19	30/01/20	Substantial Assurance
LCC 2019/20-26 - Fuel card - follow up audit	To gain assurance that the actions agreed in the previous Fuel Card audit report have been implemented.	05/08/19	19/08/19	28/10/19	Substantial Assurance
LCC 2019/20-27 - Data Integrity	To carry out an authority wide audit which focusses on data integrity. The work seeks to confirm how the Council assures itself that the data feeding into corporate KPI's, which comes from 3rd parties, is accurate and timely.	22/08/19	22/08/19	18/11/19	Substantial Assurance
LCC 2019/20-28 - Vinci Contract Management	Assurance over the contract management arrangements for this key property services contract.	01/06/19	10/06/19	28/08/19	Substantial Assurance
LCC 2019/20-29 - Bus services operators grant	To confirm that the expenditure complies with the conditions of the Grant and the funding received agrees to the Grant determination letter.	02/09/19	02/09/19	01/11/19	Not applicable

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-30 - Property Health and Safety audit - Legionella Bacteria	Assurance over arrangements to ensure corporate properties meet required regulations such as gas, electricity and control of substances hazardous to health.	13/09/19	13/09/19	30/01/20	Substantial Assurance
LCC 2019/20-31 - School funding allocations	Assurance over data validation and funding allocations to maintained schools.	09/09/19	25/09/19	26/11/19	High Assurance
LCC 2019/20-32 - Managing Children and Young People exploitation	Assurance that the newly established team for completing return interviews for missing children is operating effectively	23/09/19	01/03/20		Fieldwork In Progress
LCC 2019/20-33 - Financial Strategy (MTFP) and Budget Preparation	To provide assurance around the adequacy of LCC's financial planning processes, including the development of the MTFP and annual budget, to ensure that a balanced budget is maintained and that savings necessary are identified and agreed.	01/11/19	31/10/19	17/02/20	High Assurance
LCC 2019/20-34 - Payroll	Key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	07/01/20	27/01/20		Draft report Substantial Assurance
LCC 2019/20-36 - Accounts Payable	Key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	01/03/20	09/03/20		Draft report

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-39 - Families Working Together #2	Review and validation of periodic claims for the Families working together programme.	23/09/19	23/09/19	25/09/19	N/A
LCC 2019/20-41 - Business Continuity	Business Continuity arrangements ensure the council is prepared for business interruption and can maintain and restore services promptly based on criticality.	17/03/20	17/03/20		Fieldwork in progress
LCC 2019/20-42 - Capital Programme	Provide assurance around the effectiveness of the governance arrangements for the Capital Programme with a focus on robustness of business cases and budgets and delivery against these. (to include fire appliance replacement).	04/03/20	04/03/20	30/04/20	Audit Work ceased due to Covid 19. To add to 20/21 audit plan.
LCC 2019/20-43 - Mosaic System - Childrens	To review reliability of information held on Mosaic, usefulness of reporting, and impact on service provision in CS - to include the work Children's are doing to ensure data quality and an assessment of the Council's capacity to design new reports within the system on a timely basis.	01/01/20	08/01/20	30/04/20	Final report High assurance
LCC 2019/20-44 - Property, Plant & Equipment KCT	Key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	01/03/20	25/4/20		Terms of Reference agreed – work in progress.

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-45 - Spalding Western Relief Road	A review of the progress of the SWRR route options between 2012 and 2019 to highlight any processes that could be improved to ensure decision making is better captured and communicated in the future.	25/11/19	04/12/19		N/A
LCC 2019/20-46 - Bank Reconciliation KCT	Key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	29/01/20	03/02/20	25/03/20	Final Report High Assurance
LCC 2019/20-47 - LFR Training System	Provide independent assurance around the implementation and effectiveness of the new training records system.	01/03/20			Work ceased due to Covid 19. To add to 20/21 audit plan
LCC 2019/20-48 - General Ledger KCT	Key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	06/01/20	20/12/19	9/04/20	Final Report Substantial Assurance
LCC 2019/20-49 - Debtors	Key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	13/02/20	13/02/20		Draft Report Substantial Assurance
LCC 2019/20-50 - Children in Need	Provide assurance that the Child and Family assessment process is effective and that all those identified as a "Child in need" have been assessed within expected time frames.	01/01/20	08/01/20	11/03/20	Final report Substantial Assurance

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-52 - Pension Admin	Key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	01/02/20	01/02/20	12/3/20	Final report - substantial
LCC 2019/20-53 - Integrated Health and Social Care	Assurance that there are alternative reporting and governance oversight following the disbanding of the Children's Joint Commissioning Board				Deferred – Management request
LCC 2019/20-55 One Plan	Duplicated – see LCC 2019/20- 68				
LCC 2019/20-56 - Starters and Leavers (IMT)	Scope to be agreed				Allocated to external resource – to add to 20/21 Plan
LCC 2019/20-57 - Asset Management - Software	Scope to be agreed				Allocated to external resource – to add to 20/21 Plan
LCC 2019/20-58 - Mobile Devices	Scope to be agreed				Allocated to external resource – to add to 20/21 Plan
LCC 2019/20-59 - Network Infrastructure Security	Scope to be agreed				Allocated to external resource – to add to 20/21 Plan
LCC 2019/20-63 - Better Care Fund	Assurance over the management of the fund, it's use and the appropriateness of expenditure as per the Section 75 and other agreements	01/03/20			Work ceased due to Covid 19. To add to 20/21 audit plan.

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 2019/20-65 - Carers Follow up	Assurance that all recommendations of the previous audit have been implemented and are embedded.	10/12/19	20/01/20		Interim report issued – to complete in 20/21
LCC 2019/20-66- Families working together Grant	Review and validation of periodic claims for the Families working together programme.	12/12/20	12/12/20	18/12/20	Not applicable
LCC 2019/20-67- BDUK Grant	To confirm that the expenditure complies with the conditions of the Grant and the funding received agrees to the Grant determination letter.	01/05/19	1/5/19	02/07/19	Not applicable
LCC 2019/20-68- One plan	Consultancy audit looking at the One Plan approach that is being developed by the Lincolnshire Learning Partnership.	01/03/20	01/03/20		Fieldwork stage
LCC 2019/20-69- Families working together Grant	Review and validation of periodic claims for the Families working together programme.	25/02/20	25/02/20	28/04/20	Not applicable
LCC 2019/20-70- LFR Grievance Process	Review of the Grievance process in place within Lincolnshire Fire and Rescue to ensure a consistent approach is operating and that learning points are taken forwards.	09/03/20	09/03/20		Field work stage

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
LCC 20/21-01 - Business World System Redesign Project	Providing independent assurance, advice and insight around the project implementing the Business World ERP system on the Hoople platform.	01/04/20	01/04/20		Ongoing
LCC 20/21-02 - Treasury Management and Investment Strategy	To give assurance that the Council's investment and borrowing is properly managed in accordance with corporate policies and legal requirements. The review will determine that approved Treasury Management and investment strategies are in place.	01/05/20			Terms of Reference agreed
LCC 20/21-03 - Transport Providers	Supporting commercial and transport during Covid19 to ensure that transport providers are paid 100% or 85% depending upon circumstances.	1/4/20			Fieldwork stage
LCC 20/21-04 - Unpaid Carers Letter	Consultancy work - review of Covid 19 letters sent to Carers.	1/4/20			
LCC 20/21-05 - Better Care Fund	Assurance over the management of the fund, it's use and the appropriateness of expenditure as per the Section 75 and other agreements	1/4/20			
LCC 20/21-06 - Transformation	Support and advice to the project overseeing the future Transformation developments	1/04/20			Ongoing
LCC 20/21-07 – Direct Payments	Support and advice to the project overseeing the future development in Direct Payment system	26/04/20			Ongoing
LCC 20/21-08 – Blue Badge Grant	To ensure that Grant conditions have been met	1/04/20			Fieldwork stage

These are the audits with the highest priorities for each Directorate. This is a dynamic plan subject to review and change based on the changing risks and priorities of the Council and any legislative changes. This year they may also be impacted by the new Corporate Plan. Audits will be undertaken in priority order subject to agreement with the client over scheduling and where applicable availability of specialist staff eg ICT audits.

AUDIT TITLE	ASSURANCE BEING SOUGHT	INTERNAL AUDIT RISK ASSESSMENT	ASSURANCE MAP RAG RATING	INDEPENDENT ASSURANCE	LINK TO SRR	LINK TO CORPORATE PLAN	MANAGEMENT REQUEST
ADULT CARE AND COMMUNITY WELLBEING							
Financial assessments	Confirm improvements have been made in the Financial assessments process following the implementation of the new policy and management actions.	69%	A		✓		✓
Homecare providers	Confirm that appropriate contingency arrangements are in place around the potential failure / loss of capacity of a major homecare provider, ensuring the Council is adequately resilient.	69%	A	✓			
Quality Performance Unit	To provide assurance around the quality performance arrangements that support adult safeguarding.	61%			✓		
Safeguarding Adults	Review the Prevention Strategy and assess the impact of its implementation as a safeguarding control.	53%	G		✓		
Telecare	To review the management of the Telecare service to ensure that it is working effectively and efficiently to provide a good service to users.	47%	A	✓			
ICES	To follow up the recommendations made in the previous audit (which was given Limited assurance) to ensure agreed management actions have been implemented.	42%	G	✓			

AUDIT TITLE	ASSURANCE BEING SOUGHT	INTERNAL AUDIT RISK ASSESSMENT	ASSURANCE MAP RAG RATING	INDEPENDENT ASSURANCE	LINK TO SRR	LINK TO CORPORATE	PLAN MANAGEMENT REQUEST
Occupational Therapist reshape of service	To provide assurance that reorganisation of the service and collaboration at district level is working well and delivering improved performance.	42%	A	✓		✓	
	COMMERCIAL						
Transformation programme	To act as critical friend and provide on-going advice and assurance to the programme.	69%	A	✓	✓	✓	✓
Business World system redesign	To provide on-going advice and independent assurance around project management, process, risk and control on the BW redesign project.	67%	A	✓			✓
Capital Contracts	Assurance that capital contracts are effectively managed to ensure that projects are delivered to specification, on time and within budget.	67%	A	✓			
Commissioning process	To act as critical friend and provide on-going advice and assurance during the external review of the commissioning process.	53%	A			✓	✓
Performance Management	Ensure appropriate performance management arrangements are in place to monitor the delivery of Corporate Plan objectives.	53%	A	✓		✓	
Management of corporate buildings	The strategic planning, management and monitoring around corporate buildings (repairs / maintenance/ disposals) is effective.	47%	G		✓	✓	
Procurement	To review the delivery of procurement advice and activity on a sample of high value procurements to ensure they are performed efficiently and effectively.	44%	A		✓		

AUDIT TITLE	ASSURANCE BEING SOUGHT	INTERNAL AUDIT RISK ASSESSMENT	ASSURANCE MAP RAG RATING	INDEPENDENT ASSURANCE	LINK TO SRR	LINK TO CORPORATE PLAN	MANAGEMENT REQUEST
County Farms	Assurance that strategic planning and management of County Farms is effective– taking into new legislation and the impact of Brexit.	44%	G				
	COMMERCIAL - ICT						
ICT/Finance - PCI DSS	Assurance that the Council is compliant with the Payment Card Industry Data Security Standard.	67%	R		✓		
ICT - Monitoring	Assurance that system logs are secured, monitored and reviewed to confirm activity is appropriate.	56%	A				
ICT Physical and Environmental Security	Assurance around the prevention of physical access, and possible consequential damage and interference to the organisation's information and information processing facilities.	56%	A		✓		
ICT - Privileged Account Management	Assurance that privileged accounts are suitably controlled.	56%	A				
ICT Database management	Assurance that the Council's key databases are managed effectively.	56%	A				
	CHILDREN'S SERVICES						
School Capital Programme	Assurance that the mainstream school capital programme adequately reflects pupil numbers planning / forecasting.	61%				✓	
Families Working Together	Audit sign off as per the requirements of the grant.	58%	G				
Closing the Attainment Gap	Independent review to confirm the Council has effective arrangements in place to close the attainment gap.	56%	A	✓		✓	
SEND	To confirm compliance with funding schemes and accuracy of data and funding allocations to SEND schools.	44%	A	✓		✓	

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Joint Diversionary Panel	Review of the joint diversionary panel work in Futures 4 Me / Youth Offending Service to confirm delivery of improvements.	42%	A	✓			
Children's Centres	Arrangements are in place to monitor and manage activities in Children's Centres to ensure they are high quality and support families.	44%		✓		✓	
	FIRE & RESCUE AND PUBLIC PROTECTION						
F&R Expenses	Confirmation that the expenses system is working as expected and that only genuine claims are being processed.	69%		✓			
F&R Protection	Examination of the current staffing levels and capacity, as well as information sharing, to ensure an informed and effective service is in place.	56%	A	✓			
Emergency Response - Flooding Lessons Learnt	Audit that will look at the processes and reporting lines in place, and identify if any improvements have been internally identified and planned due to the ongoing flooding incidents in Lincolnshire.	56%	A		✓	✓	
Staffing – Succession planning	Follow up audit of the review that the Internal Resource Board is completing on middle management recruitment difficulties. This will focus on the impacts of reduced capacity and service delivery.	47%	A		✓		
Replacement of mobile data terminals	Involvement in the procurement process of the Mobile Data Terminals to ensure best value and quality of equipment is gained by the Council.	44%	A	✓			

AUDIT TITLE	ASSURANCE BEING SOUGHT	INTERNAL AUDIT RISK ASSESSMENT	ASSURANCE MAP RAG RATING	INDEPENDENT ASSURANCE	LINK TO SRR	LINK TO CORPORATE PLAN		MANAGEMENT REQUEST
	PLACE							
Transport Connect	Review of the Governance and oversight processes that are in place within Transport Connect to confirm that Members and Senior Management are aware of issues that may impact the Council and the company. This may be expanded out to cover other businesses operated by LCC.	69%	A			✓	✓	
Environment resilience and Climate Change	Support role to ensure that environment and climate change priorities and commitments are delivered by LCC.	64%	A			✓	✓	
Shared Prosperity Funding	Assurance over adequacy of the Council's input and influence over the development of future funding schemes following the decision to leave the EU.	61%	A		✓	✓		
Economic Development	Review looking at the decision making around business loans and regeneration projects to ensure that the Council is not impacted by reputational damage.	56%	A		✓	✓		
Strategic/ Operational Flood management	Review looking at the management of our relationships and communication channels with flooding partner organisations to ensure that we remain well prepared for future incidents.	53%	A		✓			
Highways 2020	Audit looking at both contract management and delivery monitoring after 12 months of the contract being awarded to ensure that LCC is receiving the best value and service possible.	53%	A		✓	✓	✓	
Lincolnshire Enterprise Partnership	Assurance on effective investment decisions, the delivery of projects and benefit realisation.	47%	A	✓	✓	✓		

AUDIT TITLE	ASSURANCE BEING SOUGHT	INTERNAL AUDIT RISK ASSESSMENT	ASSURANCE MAP RAG RATING	INDEPENDENT ASSURANCE	LINK TO SRR	LINK TO CORPORATE PLAN	MANAGEMENT REQUEST
	RESOURCES						
Budget control/ management/ reporting	That the Council's budgetary control, monitoring and reporting arrangements are effective and actioned in line with agreed policies and procedures. Two potential areas of focus: - employee costs - reconciliation of actual costs to agreed establishment large service contracts.	72%	G	✓	✓		
Pension Fund Asset Pooling	Provide assurance around the arrangements in place for transferring assets to Border to Coast Pension pool (deferred from 2019/20).	69%	G	✓			
Treasury Management & Investment Strategy	Key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements.	67%	G	✓			
Payroll	Key financial system - annual audit required to provide assurance that appropriate controls are working effectively and compliance with policy and legislation is maintained.	64%	G	✓			
Making Tax Digital	Assurance that project management and implementation ensure VAT processes are MTD compliant (deferred from 2019/20).	64%	A			✓	
HR Talent & Early Years Strategy (including apprenticeships)	To consider the Council's approach as an employer provider of apprenticeships - including corporate approach and value for money.	58%	A			✓	✓
FOI / SARS / Complaints	The service transferred from Serco to LCC and has been subject to changes in staffing and processes. To provide assurance that the service is working effectively and meeting timescales required by policy and legislation.	58%	A	✓			

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Key financial systems - key financial control testing	Annual testing of key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements (to include creditors and debtors and one other area of finance).	53%	G	✓			
Workforce Strategy	Consider the revision of employment policies and strategy delivery plans.	53%	A		✓	✓	✓
Procurement Cards	To provide assurance over the processes and controls in place around the use of procurement cards to ensure it is appropriate and in accordance with agreed policy.	47%	A	✓			
Risk Management	Key system that supports the running of the Council's business and ensure compliance with corporate policies and legal requirements.	44%	A				✓
Tax Compliance – employee benefits & expenses	Follow up of the previous audit to confirm that agreed management actions have been implemented.	31%	A	✓			

Other Areas of Work	Details
Combined Assurance	Updating assurances on the Council's assurance map with senior managers and helping to inform planning and co-ordinate the annual status report.
Follow up of Recommendations	Audit Reports issued during 2019/20 where an audit opinion of Limited or Low may be followed to establish progress in implementing agreed management actions.
Advice & Liaison	Time for liaison with management to schedule audits and update the plan with emerging risks etc.
Annual Report	Collation of data and production of the Head of Audits annual opinion on the Council's Governance, Risk and Control framework
Annual Governance Statement	Support development of the AGS
Audit Committee	Production of reports to and attendance at Audit Committee. Delivery of training and support.
Work Force Development	Time to develop audit skills and competencies for our Apprentice and Professional grade staff in a work environment with deliverable audits.

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