

Internal Audit

Annual Report 2021 / 22



What we do best...

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

...and what sets us apart

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

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

Purpose of Annual Report


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

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

Annual Opinion

It has been another challenging year for the Council – responding, supporting and recovering from the pandemic. Its systems and processes have operated effectively during this time both remotely and more latterly in a hybrid way – with staff working at home and in the office.

Based on the work we have undertaken and information from other sources of assurance, my opinion on the adequacy and effectiveness of the Council's arrangements for governance, risk management and control is:

Governance 	Performing Well - No concerns that significantly affect the governance, risk and control framework and successful delivery of the Council priorities.
Risk 	Performing Well - No concerns that significantly affect the governance, risk and control framework and successful delivery of the Council priorities.
Internal Control 	Performing Adequately – Some improvement required to manage a high risk in a specific business area and medium risks across the Council.
Financial Control 	Performing Well - No concerns that significantly affect the governance, risk and control framework and successful delivery of the Council priorities.



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

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

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

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

In February 22, the Audit Committee completed its Annual Report 2021. The overall opinion was that the Committee can give:

"reasonable assurance that the Council's Governance, Risk and Control mechanisms are working satisfactorily"

The Annual Governance Statement is at draft stage. There are no significant governance issues identified. Areas for continuous improvement – include:

- Capacity to deliver –the Council is in a good place to respond to the changing legislative framework with plans in place. The next step is to monitor progress and delivery.

- Financial resilience – medium / long term financial plans needs revisiting given the current financial environment.
- Effective decision making – workshops are planned for 2022 to raise awareness on the decision-making process. An independent review of the Council's scrutiny arrangements showed that the Council performed well compared to other councils – identifying ways to enhance effective scrutiny challenge.
- Demand Management - building upon current systems and processes to improve understanding of the local place and enhance priority setting. Helping to inform the medium-term financial plan and updates of the Corporate Plan.

The Council's combined assurance report is a key element of its governance and assurance arrangements. It provides the Corporate Leadership Team & Audit Committee with better understanding on the assurances across all the Council's critical services, key risks, partnerships, and projects – identifying any areas for greater oversight, improvement and assurance gaps.



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

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

Overall, there is a positive assurance picture for the Council but one that reflects the complex environment in which it operates – recognising that some areas will remain Amber.

A staff survey was undertaken by the Council in December 2021. The key message from the survey showed that staff continue to feel well supported by their manager and provided a positive picture on how staff felt about working for the Council. Areas where the Council could do better have been identified with an action plan is being developed.

It is crucial to the Council's success that its governance arrangements are applied in a way that demonstrates the spirit and ethos of good governance – this cannot be achieved by rules and procedures alone. The Council launched a Leadership and Culture stock take in May 2022 – designed to support continuous improvement and demonstrates a key element of good governance best practice.

We will be undertaking a Governance Review – benchmarking the Council's arrangement to the CIPFA/SOLACE – Delivering Good Governance in Local Government – A Framework (2016 Edition) in 2022/23.

The information Assurance Annual report was presented to the June 2022 Audit Committee. This supports effective governance by implementing a corporate framework designed to identify and manage information risk, implement controls which are reasonable and achievable, and encourage informed decision making.

A focussed Ofsted inspection of children services, undertaken in March 2022, provided feedback on how the services for children had remained a high priority throughout the pandemic and resources had been protected and enhanced since the last inspection in 2019 – which was an outstanding rating.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services published the outcome of their inspection of Lincolnshire Fire and Rescue Service (December 2021) – which received a requires improvement rating. An action plan is place to address recommended improvement which is monitored through our performance management framework.

Governance



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

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

Scrutiny support arrangements have recently been reviewed by the Centre for Governance and Scrutiny. They concluded that the Council's scrutiny arrangements perform well compared to other authorities – suggesting improvements to enhance decision making.

The Council has four wholly owned subsidiary companies – only one is active – Transport Connect. Appropriate governance and oversight arrangements are in place – with a recent Internal Audit making suggestions on how these can be improved.

CIPFA has issued some good practice guidance on Local authority owned companies (May 2022). We suggest that the Council benchmark the companies against this guidance – with the outcome being reported to the Audit Committee.

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

Governance framework



Assessed as Performing Well

Risk



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

The Council's Risk Management arrangements are currently assessed as Green through the combined assurance review (a high level of assurance).

We can confirm that there are established structures and processes for identifying, assessing and managing risk and these remain effective.

Risk Management is regularly monitored by the Corporate Leadership Team and is reviewed by the Audit Committee on a six-monthly basis.

The Strategic Risk register is reviewed and updated quarterly.

Corporate & Directorate Risk & Safety Groups are in place - which provide good governance arrangements around risk management.

There is a good level of assurance around the risks facing the Council.

An independent review of the Council's Risk Management arrangements has been commissioned – interim feedback provides a high level of assurance.

The intelligence gathered through the combined assurance framework has helped inform the Head of Internal Audit's opinion.

Risk management



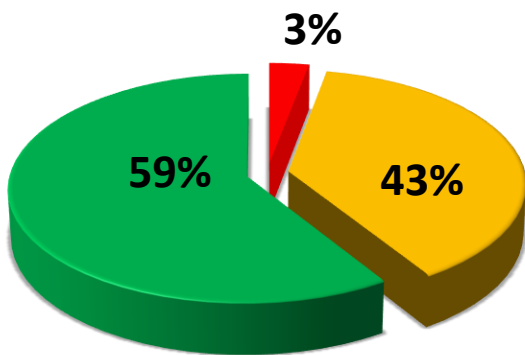
Assessed as Performing Well



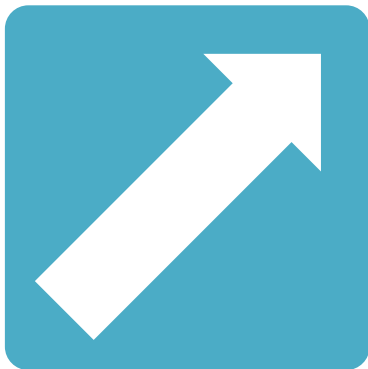
A Combined Assurance Status report is produced by each Director on the level of confidence they can provide on service delivery arrangements, management of risks, operation of controls and performance for their area of responsibility. These reports are reviewed by the Audit Committee and provide key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

Combined Assurance Status Report

Overall Assurance Status 21/22



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



We help co-ordinate the Council's assurance intelligence through an annual process carried out by Internal Audit across all Directorates. It provides a RAG rating view of the Council's Critical Activities, Key Projects and Key Risks.

Overall, there continues to be a high level of assurance (59%) which is an increase over last year. There has been a 1% increase in low levels of assurance but this remains at a very low rate.

Critical activities that gave a low level of assurance are :

- Business World Redesign and Business World Governance
- ICT PSN Compliance
- ICT Payment card industry data security standard (PCIDSS)
- Civil Parking Enforcement
- Prevention (Fire and Rescue)

High Assurance has increased 4% in 2021/22

Internal Control



We take account of the outcome of our audit work during 2021/22. As our audit plans include different activities each year, it is not unexpected that assurance varies. However the assurance levels still give insight into the Council's control environment.

The assurance levels over activities reviewed this year have predominantly remained positive – key financial systems and processes have either a High or Substantial level of assurance. Through use of specialist resource we have completed more work around ICT which has provided positive assurance.

This year we had no Low Assurance opinions.

We have issued one Limited Assurance report – Transport Connect governance arrangements.

A summary of this audit can be found in appendix 1.

During the year we have made 94 recommendations for improvement across LCC and Schools. 44 of these were High (14%) and Medium (86%) within LCC which will be tracked and followed up.

We regularly monitor the implementation of outstanding actions – see appendix 3 for full details .

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

Internal Control



**Assessed as
Performing
Adequately**

Financial Control



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

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

Our work on financial systems and processes this year has focused on confirming that key controls remain in place and have not been compromised by teams working remotely. Many controls are built into our Business World system and are therefore automatically maintained. In other activities such as payroll where there are manual workarounds, interventions and checks our review has confirmed these have been maintained. Documentation is being held electronically to support these checks ensuring information is available across the team.

During the year we reviewed:

- General Ledger – **High Assurance**
- Accounts Payable – **High Assurance**
- Pension Fund – **High Assurance**
- Bank Reconciliation – **Substantial Assurance**
- Payroll – **Substantial Assurance (indicative)**
- Financial Resilience – **Substantial Assurance.**
- Debtors – Consultancy
- Pensions Admin – Consultancy

We also tested and signed off several grants, including:

- Home to School
- Highways
- Bus Service Operators Grant
- Contain Outbreak Management Fund (COMF) Grant.

Implementation of the Hoople 'standard version' of Business World -

The project is reported as on track and due to go live in April 2023.

Further assurance work is planned for 2022/23 – supporting a successful go-live and ensuring sufficiency of its internal control systems.

Financial Control



Assessed as Performing Well



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

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

The Council's External auditors issued their first annual report on the Council's arrangements for securing economy, efficiency and effectiveness. The Council's initial self-assessment against areas of reporting and examination by the auditors has not identified any areas of significant weakness. An action plan is in place for continuous improvement - with implementation monitored through the Audit Committee.

Counter Fraud

We have delivered 90% of the tasks included within the 2021/22 Counter Fraud Work Plan.

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





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

Scope of Work

Our 2021/22 risk based internal audit plan was prepared taking into account the critical activities and key risks to support the basis of my annual opinion.

We looked at the plan after 6 months to reassess the risk ratings of the work planned against new priority risks to the Council, and we made some key changes. The Audit Committee approved the revised 2021/22 audit plan in Nov 2021 for the rest of the year.

Delivery of the audit plan has been impacted by :

- Reduction in resources available through loss of staff, sickness absence, maternity and secondments. This is being addressed through further recruitments and external support
- Our last two recruitment drives have been successful – appointing 2 Senior Auditors and 4 Audit Officers
- While recruitment has been successful there is an impact on staff time used to train these new members of staff.

Restriction on Scope

We identified no unexpected restrictions to the scope of our work. There have been some delays encountered in the provision of information through our work with the Council. To address this, we liaise regularly with management and agree escalation processes and develop key points of contact within services.

I do not consider the restrictions to have had an adverse effect on my ability to deliver my overall opinion. The combined assurance model adopted by the Council helped in this regard. We have not experienced any impairment to our independence or objectivity during the conduct and delivery of the Internal Audit Plan.





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

Other Significant Work

During the year we have undertaken grant sign off work including Supporting Families, Bus Service Operators Grant, Highways Grant, and Home to School Transport Grant. This work confirms grants have been spent appropriately.

We completed our annual refresh and coordination of Combined Assurance which maps all assurance across the authority using the 'three lines of assurance' model. This provides the Council with insight over the assurances present on its critical activities, key risks, projects and partnerships. We completed a single report for the February 2022 Audit Committee.

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

- **Transformation Programme** – We maintain an overview of the programme through the Steering Group reports and minutes. Further detailed audit reviews in this area planned for 22/23.

- **Business World project** – Is reported and monitored through a project board and through the Transformation programme. There are regular updates to the Corporate Leadership Team and the project is currently Green assurance and on track.
- **Property Repairs and Maintenance Budgets** – We followed up and confirmed that the previous recommendations had been implemented resulting in stronger measures around budget setting and reporting of variations.
- **Trade Union Facility Time review** – We supported the HR team in ensuring that the processes in place for raising, approving, recording and reporting of time taken off for trade union activities were operating effectively.
- **Debtors** – We found that good progress is being made through various initiatives to review debt and update the Councils debt recovery processes.



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

Quality Assurance

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

During 2021/22 we continued to build upon the strong focus on developing the next generation of audit and risk professionals. We have:

- Continued with an apprenticeship scheme which has recently led to an Audit Officer becoming a Senior Auditor
- Recently recruited six new members of staff
- Promoted a Senior Auditor a Principal Auditor following secondment to supporting internal succession planning

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

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

All public sector internal audit services are required to measure how well they conform to the UK Public Sector Internal Audit Standards. An External Quality Assessment must be undertaken every 5 years. Assurance Lincolnshire's second external assessment was undertaken in February 2022. They concluded that:

“the Assurance Lincolnshire Partnership’s self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note”.

No significant improvement recommendations were made but our Quality Assurance Framework enables continuous improvement- this has been updated – with key areas outlined on the next page.

The final report from the External Quality Assessment has been shared with the Audit Committee.

Our Work



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

Quality Assurance

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

- **Workforce strategy** – building capacity and growing our own talent in both leadership and professional skills
- **Improving the audit process** - working with client senior management to improve progress and delivery of audits in a remote (hybrid) working environment
- **Continuing professional development**
 - around new and emerging practice guidance
- **Enhance digital capabilities** - in line with our digital strategy, including data analytics

External Audit

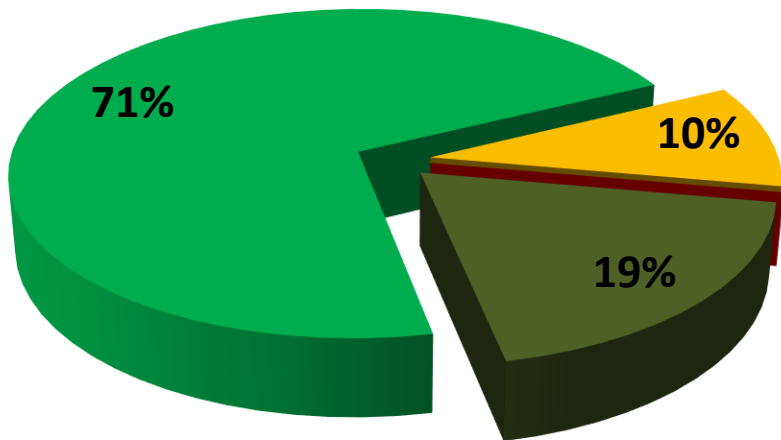
Although internal and external auditors carry out their work with different objectives in mind, many of the processes are similar and it is good professional practice that they should work together closely.

Wherever possible, External Audit will place reliance and assurance upon internal audit work where it is appropriate.



Our audit plan includes different activities each year – it is therefore not unexpected that these vary; however, the assurance levels do give an insight on the application of the Council's control environment and forms part of the evidence that helped inform the overall annual opinion. These stats include school audits. No school audits were completed last year due to the pandemic.

Assurances Provided



■ High ■ Substantial ■ Limited ■ Low

13%

Increase in
High &
Substantial
Assurance on
last year

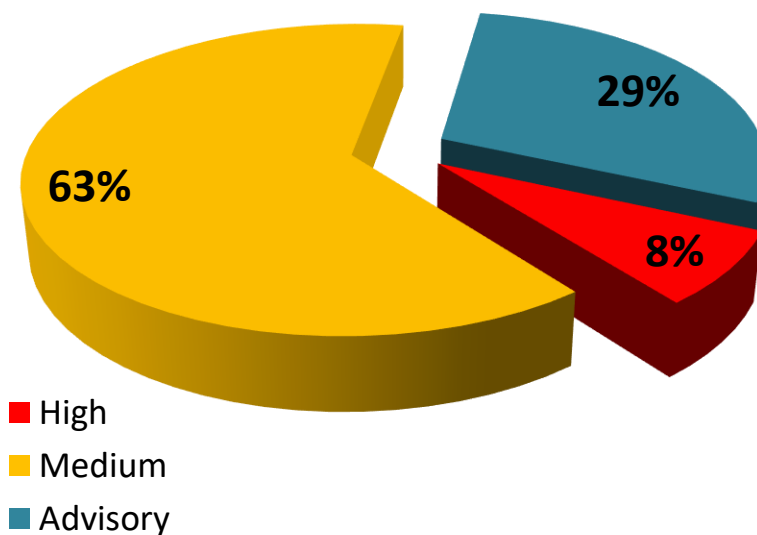


Decrease in
Limited or low
Assurance on last
year



Comparison of internal audit recommendations made 2020/21 and 2021/22. We can see that the overall priority of recommendation are less urgent than the previous year, with a reduction in High and Medium priority actions agreed in the service. This information forms part of the evidence that helped inform the overall annual opinion.

Recommendations



10%

Fall in High priority findings

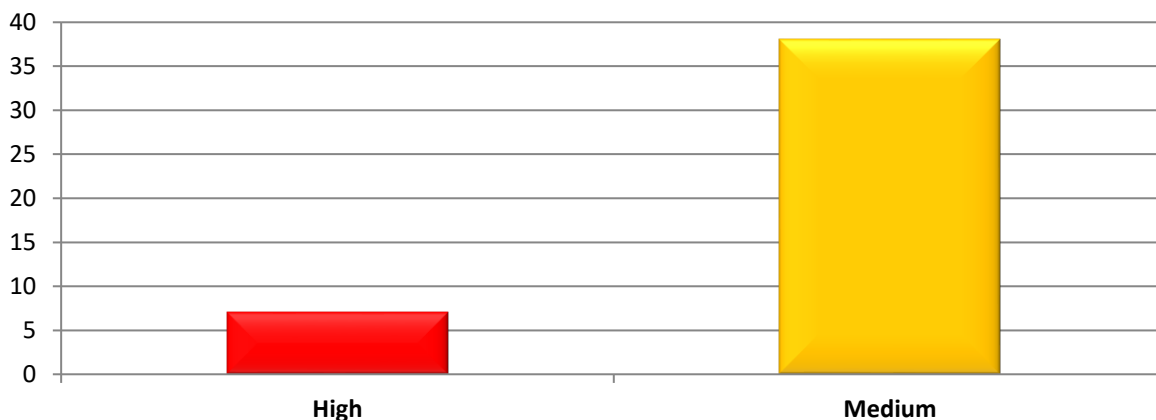
7%

Fall in Medium priority findings

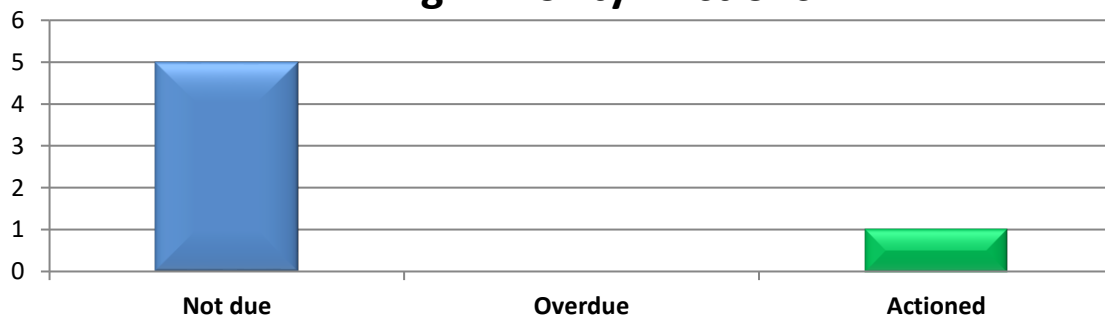


During 2021/22 we made **44 High and Medium** recommendations for LCC. This is in comparison to last years 57 recommendations. **Note that these stats do not include school audit recommendations.**

Agreed actions



High Priority - Actions



Medium Priority - Actions





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

By working together the partnership aims to be:

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

We improve the overall quality of the services provided through:

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

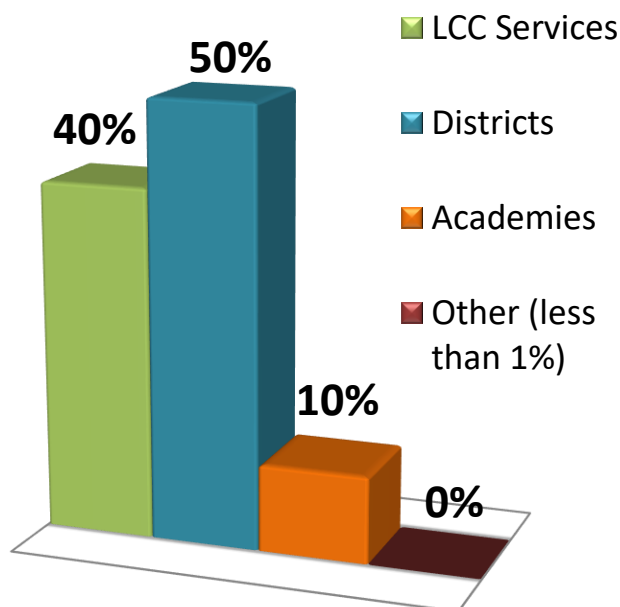
The County Council has a number of significant external clients including:

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

We have also just taken on the contract for South Kesteven District Council and we are in the process of taking on South Holland DC.

Our external clients help Corporate Audit and Risk Management operate within existing budgets.

Days delivered across client base



During the year we have no **Low** Assurance Opinions and 1 **Limited** Assurance Opinions. The summarised key points are listed below.

Transport Connect – Limited Assurance

Transport Connect Ltd was formed in April 2016 and at no point has there been any formal Board Terms of Reference. Without clear Terms of Reference the duties and responsibilities of the Board may be unclear, leading to ineffective governance arrangements and weaknesses in the operation of the company.

Our review identified some issues in respect of the governance arrangements operating with Transport Connect Ltd to be addressed including:

- Improved governance around meetings, minutes and capturing approvals for decisions.
- A completed list of Transport Connect policies to support gaps in awareness of some policies by individuals
- Review the sharing of confidential information due to the use of personal laptops for company business.
- Improvements required for the Risk register content.

The Board has already made considerable progress and actions have been taken to address many of the issues raised.

Audit	Rating	High	Medium	Advisory	Total
Property Repairs and Maintenance Budgets	Not applicable	0	1	0	1
Supporting Families 1	Substantial Assurance	0	0	0	0
ICT Privileged Access Management	Substantial Assurance	2	2	2	6
Supporting Families 2	Substantial Assurance	0	0	0	0
Highways Grant	Not applicable	0	0	0	0
BSOG Grant	Not applicable	0	0	0	0
Adults Safeguarding Response to Covid	High assurance	0	0	0	0
Trade Union Facility Time Review	Not applicable	0	6	0	6
Supporting Families 3	Substantial Assurance	0	0	0	0
Payroll	Substantial* (draft report)	-	-	-	-
Bank Reconciliation	Substantial Assurance	0	3	0	3
General Ledger	High Assurance	0	2	0	2
Accounts Payable	High assurance	0	0	0	0
Debtors	Not Applicable	0	1	0	1
Pensions Administration	Not Applicable	0	0	0	0
Pensions Fund	High assurance	0	0	0	0

Audit	Rating	High	Medium	Advisory	Total
Economic Development – Allocation of Covid Business Grants	Work In Progress (WIP)	-	-	-	-
Transport Connect	Limited Assurance	3	7	1	11
Home to School Transport Grant	Not Applicable	0	0	0	0
Foster Carers Recruitment	Substantial Assurance	0	2	2	4
LFR Governance Review	Substantial assurance	0	3	4	7
LFR On-Call Sustainability	Limited assurance	1	3	4	8
ICT – Virus Protection/Malware	Substantial Assurance	0	5	0	5
Supporting Families 4	Substantial Assurance	0	0	0	0
Supporting Families 5	Substantial Assurance	0	0	0	0
ICT Cloud Hosted Services	WIP	-	-	-	-
Annual Combined Assurance Report	Not Applicable	0	0	0	0
Martin Mrs Mary King & Walcott Primary Schools	Substantial Assurance	0	5	4	9
Deeping St James Primary School Assurance Visit	Substantial	0	2	5	7
Gainsborough Charles Baines Primary School Assurance Visit	Substantial	0	5	0	5

Audit	Rating	High	Medium	Advisory	Total
Great Ponton Primary School Assurance Visit	Substantial	0	8	2	10
Ruskington Winchelsea Primary School Assurance Visit	Substantial	1	2	3	6
Financial Resilience	Substantial	0	3	0	3
Total		7	60	27	94

Overdue incomplete actions for 2021/22 audits at 31/03/22

Activity	Issue Date	Assurance	Total Actions	Actions Imp	Priority of Overdue Actions			Actions not due
					High	Medium	Low	
LFR Governance Review	Feb 2022	Substantial	10	1	-	-	-	-
	Information not received							

Overdue incomplete actions for all prior year audits at 31/03/22

Activity	Issue Date	Assurance	Total Actions	Actions Imp	Priority of Overdue Actions			Actions Not Due
					High	Medium	Low	
Cyber Security	Mar 19	Limited	6	4	2	0	0	0
	There are two outstanding actions that relate to Network and Monitoring Strategy. Monitoring has improved since the initial audit in 2018 and the action has progressed 80%. LCC are still to decide if they want a managed Security Operations Centre. Monitoring within Azure is very in depth, but unless LCC are fully 0365 emersed, then there will still be gaps in our capabilities. These actions will continue to be traced and the action regarding networks will be followed up as part of the IMT follow up audit.							
Treasury Management and Investment Strategy	Aug 2020	High	2	0	0	1	0	1
	The outstanding action relates to succession planning. Whilst this has progressed some further work still needs completing with regards training for staff.							
Payroll	Oct 21	Substantial	23	20	0	3	0	0
	There are outstanding actions which rely on the implementation of the Hoople standard including reinstating monthly reporting and guidance. There is also an outstanding action regarding checking the teacher's top up pension – the team are awaiting some information from TPS.							

Activity	Issue Date	Assurance	Total Actions	Actions Imp	Priority of Overdue Actions			Actions Not Due
					High	Medium	Low	
Capital Programme	Feb 2021	Substantial	1	0	0	1	0	0
	Over the summer of 2022 we will be working on the BW reports as part of the BW Redesign project and expect to pick up this issue in capital reporting and resolve it ready for the go-live of Hoople BW in April 2023.							
General Ledger	Mar 20	Substantial	2	0	0	1	0	1
	There are 2 outstanding actions relating to cumulative reconciliations and leaver access. These have both been impacted by the delays to the BW project but will continue to be monitored going forward.							
Property Repairs and Maintenance Budgets	Dec 21	N/A	1	0	0	1	0	0
	Information not received							
Debtors	Aug 21	Limited	6	4	0	1	0	1
	Work continues to implement the debtors action plan. There is a greater focus on recovering outstanding debt which should lower risk in this area.							
Software Asset Management	July 21	Substantial	2	0	0	2	0	0
	<p>Part of this work is now incorporated into a project to implement better modelling for the IMT service - all software will have a specific set of meta data maintained for it including the business owner(s).</p> <p>A request has also been renewed that the service records remediation activities. Plans are in place to audit the effectiveness of this over the next quarter due to the limited confidence this has worked as requested.</p>							

Activity	Issue Date	Assurance	Total Actions	Actions Imp	Priority of Overdue Actions			Actions Not Due
					High	Medium	Low	
ICT Network Infrastructure Security	Mar 21	Limited	4	1	1	2	0	0
	<p>Progress has been made and only a few remaining legacy OS now exist primarily awaiting the completion of Business Change elements, eg The Legal Team transferring to iCaseWorker away from the legacy system, Norwell. The Lifecycle management of Network devices is a rolling program and in 2022 our remote sites program will commence. The post covid network needs to be revised to reflect the changes made to allow home working and this will allow significant simplification of our Access Networks both wired and Wireless. The design work has delayed work commencing to ensure the investment is relevant to the councils needs and reflect the changing property portfolio which is being crystalised by the property team.</p>							

Performance on Key Indicators

Performance Indicator	Annual Target	Actual
Percentage of plan completed	100%	91%
Percentage of recommendations agreed	100%	100%
Percentage of recommendations implemented	100% or escalated	100% and escalated*
Timescales:		
Draft Report issued within 10 days of completion	100%	71%
Final Report issued within 5 days of management response	100%	84%
Draft Report issued within 3 months of fieldwork commencing	80%	80%
Client Feedback on Audit (average)	Good to excellent	Good to excellent

* Outstanding actions shared with Audit Committee via tracker reporting

High	<p>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.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>
Substantial	<p>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.</p> <p>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.</p>
Limited	<p>Our critical review or assessment on the activity gives us</p> <p>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.</p>
Low	<p>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.</p> <p>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.</p>

Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Head of Internal Audit Annual Opinion

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

Governance

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

Risk

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

Control

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

Impairment

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