

# Internal Audit

## Progress Report



Images Courtesy of the Official UK Photo Club

# Lincolnshire County Council March 2023

# Contents

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## Introduction Page 1

---

Key messages

---

## Internal Audit work completed Page 5

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Assurances

Audit Reports at Draft

Work in Progress

Other Significant Work

---

## Benchmarking Page 14

---

Key Performance Indicators

---

## Other Matters of Interest Page 15

---

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## Appendices Page 17

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- 1 Assurance Definitions
- 2 2022/23 Revised Audit Plan
- 3 Record of changes to the Internal Audit Plan
- 4 Tracker Report – all outstanding audit actions due 31/01/23

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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 1 October 2022– 1 February 2023
- Give an update on outstanding management actions from previous audits
- Raise any other matters that may be relevant to the Audit Committee role

## Key Messages

### Assurances

Since our last update report presented to the Audit Committee in November 2022 we have completed the following audits:

#### Substantial:

- Microsoft Office 365 security
- Low Value Highways Insurance claims
- Economic Development – Allocation of Covid Grants

#### Consultancy:

- Mosaic Follow up (Abacus Payment System)
- LCC Procurement review (Kier tender)
- Ukrainian Settlement scheme

### Audit reports at draft

- Recruitment & Retention (initial data analytics work only)
- Corporate Plan and Success Framework
- IT Payments systems (consultancy)
- Green Masterplan
- Good Governance review
- Economic Development – Capital Project Decision Making
- Adults Financial Assessments
- LFR Procurement card usage

0  
HIGH  
ASSURANCE

3  
SUBSTANTIAL  
ASSURANCE

0  
LIMITED  
ASSURANCE

0  
LOW  
ASSURANCE

3  
CONSULTANCY

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## Key Messages

### Progress and Delivery

We continue to deliver assurance on the 2022/23 audit plan agreed at March Audit Committee. We have eight reports at draft stage and a significant number of other planned audits are underway. We have completed reviews of six maintained schools during this period. All audits within the revised Internal Audit plan have commenced and further detail can be found at Appendix 2.

Additional work requested through our liaison with Senior Management includes:

- Review of educational transport - To provide an independent review of single occupancy transport, eligibility compliance and SEN children in the County.

We have also deferred the review of Transformation Programme - Benefits Realisation. This is due to the ongoing work of the team to bring together both cashable and non cashable benefits into a more structured, reportable view. Oversight of progress of this work and programme is undertaken by both the Corporate Leadership Team and Executive. Our assurance work will be undertaken in late 2023/24 when it will provide more added value. We continue to attend the Transformation Board meetings to provide independent advice and support.

Whilst our workforce strategy is showing results – staff changes / vacancies and the secondment of an experienced Principal Auditor to the BW project has impacted on our performance. Some audits have taken longer to deliver – we anticipate performance on timescales improving in 2023/24.

### Combined Assurance

We have worked with the senior leadership team to produce the annual combined assurance report. This process involved discussion and intelligence gathering across the Council and provides Members and Management with an overview of the Council's assurance across critical activities, key projects, key partnerships and key risks. This report was presented to Audit Committee on 6<sup>th</sup> February 2023 and will support the Head of Internal Audit's Annual Governance Statement and the development of the 2023/24 Internal Audit plan.

### Staffing changes

We have had a recruitment exercise which has led to the successful recruitment of an Audit Manager, an Audit Principal and two Senior Auditors. All these roles will further enhance and develop the services quality, performance, capacity and capability to meet client needs and remain an effective forward-thinking service.

We are developing a number of our existing Senior Auditors and Audit Officers through the apprenticeship scheme which is paying **Page 96** We are also working with our Finance colleagues and engaging with the Local Government national graduate scheme.

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## Key Messages

An experienced Principal Auditor has been seconded back into the BW project to support the implementation and assurance work for go-live in April 2023.

As you're aware Lucy Pledge will be leaving Assurance Lincolnshire on the 30th March 2023. She will be retiring from the role as Head of Audit and Risk Management having helped build the Assurance Lincolnshire partnership into the success it is today. Following a successful recruitment process, we are delighted to confirm that Claire Goodenough has been appointed as Head of Audit and Risk Management at the County Council – heading up the Assurance Lincolnshire Partnership. Claire has a good background of working within the public sector at a senior level and with the Institute of Internal Audit. Claire joined the team in January to enable a detailed handover. We hope you will all join us in welcoming Claire as she begins her Assurance Lincolnshire journey.

## Changes to the Audit Schedule (plan)

We operate a flexible planning approach with our audit plan updated quarterly – based on risk and impact. We have made some changes to our audit schedule / plan. We have deferred the following audits to 2023/24:

- Contract Management
- Budget Management
- Capital Projects – financial resilience & decision making
- ICT PSN Compliance
- Payroll
- Transformation Programme – benefit realisation

We have added the following audits:

- Ukraine Refugee Settlement
- Procurement – Lessons Learned
- Education Transport
- Acquisitions & Disposals
- Payment Systems – Lessons Learned

The rationale for the changes is shown in **Appendix 3**. These changes will not adversely impact the Head of Internal Annual opinion.

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## Key Messages

### Outstanding Recommendations

We are currently tracking 12 audits to monitor the implementation of agreed management actions. Of the 51 actions, 28 (55%) are completed and 16 (31%) are not yet due.

Of the 7 outstanding actions (14%) there is 1 High priority and 6 that are Medium priority action outstanding. All outstanding actions related to areas with **Substantial Assurance**.

Progress has been made on the implementation of the overdue actions and we have received reasons why these have not been completed together with new completion dates – these are all by the 30<sup>th</sup> April 2023 at the latest.

(see **Appendix 4** for more detail.).

# Substantial Assurance

Overall, the arrangements for M365 security and configurations are adequate with some improvements needed in the application of controls to manage risks. The LCC M365 configuration was benchmarked against the CIS Microsoft 365 Foundations benchmark. We found no issues relating to:

- Application Permissions
- Data Management
- Email Security
- Storage

We found that some improvements could be made in the areas below:

## **Elements of Azure Active Directory that facilitate M365 authentication and authorisation**

Although Council policy is to enforce Multifactor authentication (MFA) for all administrative accounts, it was not enforced by default for the various role types that are present in the available built-in directory administrative roles within M365. The benefit of MFA is that, when deployed, it will enhance the Council's security by requiring users to identify themselves by more than a username and password.

We also found that Guest accounts within the LCC M365 deployment (e.g. for external partners such as the NHS and other Local Authorities) do not have expiration dates applied and are not periodically reviewed according to best practice in order to ensure active accounts are still required.

Finally Password settings for mobile devices were not aligned to Council policy.

## **Auditing Capabilities**

Microsoft 365 audit log search and mailbox auditing were enabled; however, at the time of fieldwork, built-in reports to support security and administration were not being reviewed as often as the guidance recommended. The review of audit log reporting can help security teams to identify and investigate potential security incidents.

# Substantial Assurance

Our review confirmed that the procedures followed to process low value claims is working well, resulting in an assurance opinion of Substantial.

Areas of strong governance and sound controls include:

- the Evo system mitigates human error, through automated workflows and tracking of the claim life cycle. Regular reports are produced to monitor claim progress and for oversight by the Insurance and Risk Manager.
- segregation of duties throughout the claims process, including review and authorisation to pay a claim from Legal Services.
- protection against fraudulent claims, through ensuring appropriate evidence is received, retained and actual on site checks are completed by the Highways team.
- allowance for work to be quality checked before the claim is awarded.

Our testing identified that the Insurance & Risk team were not always closing claims promptly. Claims that are repudiated should be closed 90 days after last contact with the claimant. This ensures that liability against the Insurance Fund is kept as up to date as possible.

We have suggested some minor improvements to further enhance the governance around the claims system in Legal Services.

## Low value Highways Insurance claims



# Substantial Assurance

Our review has confirmed effective processes were in place for the assessment and management of both the Business Recovery Grant and Digital Voucher Scheme.

Areas of effective control include:

- Criteria for both grant schemes are clearly outlined within guidance and provided to applicants and officers administering applications.
- Effective management oversight was in place to ensure compliance; management were involved in decision making and authorisation of individual applications where required.
- Adequate measures were in place for the authorisation of Business Recovery Grant payments, and no duplicate payments have been identified across either scheme
- Initial national fraud checks were carried out on applications across both schemes in conjunction with the Council's Fraud Team. In addition, a potential fraud was identified by the Economic Development Team during a review of applications, demonstrating the robustness of the application and assessment process. The case was promptly passed to the Counter Fraud & Investigations Team for investigation and has subsequently resulted in criminal proceedings.

We did identify some areas of improvement. We have recommended improving recovery action for a small number of applications that did not fulfil the full requirements of the Digital Voucher Scheme, and total £13k altogether. We also found that declarations of interest were not completed by members of staff validating and approving business grants. Staff were not reminded of the requirement or asked to make a declaration/sign a conflict of interest form stating whether they had any connections with any of the business owners in the area likely to make a claim. Finally we identified a lack of evidence around the separation of duty in the sign-off of some applications.

All actions have been agreed and will be followed up.

**Economic  
Development  
– Allocation of  
Covid grants**

# Consultancy Reviews

## Mosaic Follow Up (Abacus Payment System)

Our follow up review confirmed positive steps have been taken in response to the audit report. The Mosaic Board has been replaced and responsibility for oversight now sits with the business change client – Adult Care. Project progress is reported to the Adult Care Finance Group, which monitors several interdependent Adult Care Finance projects. These new governance and reporting arrangements will provide greater oversight and monitoring of all ongoing interdependent Adult Finance projects, including better assurance around Mosaic delivery.

The project was also subject to an independent project health check assessment in October 2021 which gave a Delivery Capability Assessment (DCA) of Green / Amber. The health check, our recent discussions and document review has confirmed that the recommendations made by the Audit Team have been implemented. The health check made a small number of critical and essential recommendations which are being addressed in how the outstanding elements of the Mosaic project are now being delivered.

To deliver the remaining elements, an upgrade to Abacus is required and the implementation of a customer portal to allow Homecare providers to input their hours allowing payments through Mosaic. The target date for the portal implementation is currently 2023/24.

Risks around maintaining current processes are being managed and the necessary focus is being given to upgrading Abacus and responding to changing priorities within Adult Care services.

Our review has identified one recommendation to strengthen the governance and decision making process of the Adult Care Finance Group. We found that no formal minutes are currently being kept for their regular meetings. An Action Log is discussed at each meeting and updated. Whilst this is a useful monitoring tool, it is still important that minutes are kept to record the decisions made and who attended.

# Consultancy Reviews

We were asked to provide independent insight and review surrounding the decision-making process on the tender process for the Lincolnshire Fire and Rescue service (LFR), Grantham station refurbishment - identifying any lessons learnt.

We made recommendations for suggested improvements in the Council's procurement and tendering arrangements. These included:

**Effective working relationships and communications** - Reviewing the effectiveness of the communication and engagement strategy in place in light of the tendering process and procedures being followed in practice.

**Processes and decision making** - review and produce a step by step, easy to follow, process (with a flow chart included), that can be interpreted by all Project Managers within the procurement process. This would ensure that all personnel are aware of the decisions making process and their responsibilities in the execution of the tendering process at all stages.

**Systems** - Create and improve protocols in the use of Concerto and Pro-Contract. As part of these protocols, a clear set of guidelines on when the system should be used and how to implement specific instructions.

**Professional advice** - The Council should ensure that the appropriate due diligence is undertaken for all key decisions in relation to all tendering projects prior to final decisions being made, so that decision makers are satisfied that all alternatives have been considered and fully assessed.

**Training** - That there is regular training of all staff involved within the tendering process and updates on changes to contracts. The council should ensure that all staff receive refresher training in the procurement process and application system operations.

**Governance & Oversight** – Review the way projects are monitored to help identify and manage any time critical events – building in appropriate planning / contingency.

Implementation of agreed management action will be tracked in the normal way.

## LCC Procurement Tender (Kier Review)

# Consultancy Reviews

Our review of the Homes for Ukraine (HFU) process found robust controls, effective risk management and good partnership working in place.

## **Partnership Working**

The HFU Scheme has involved establishing new processes and partnership arrangements at speed whilst managing an influx of refugees. We found that early involvement of specialist advice across the Council has helped formulate processes with good governance and oversight. Regular reporting is undertaken to Officers, Members at scrutiny committees, full Council by the Portfolio Holder and the wider Lincolnshire Chief Executive Group.

## **Availability of Sponsors and suitable accommodation**

We found the Homes for Ukraine (HFU) team to be proactive and forward looking. We saw evidence of processes and communication with both hosts and guests to help sustain housing arrangements.

## **Safeguarding and Wellbeing**

Within safeguarding and school placements, the records and processes we reviewed provide a clear framework for identifying concerns. The HFU team was also invited to present to the East Midland Regional Ukraine group on its safeguarding process which demonstrates a confident approach.

## **Integration and Education**

The HFU team, with the support of commissioned partners, has developed a number of support packages to assist integration and maintain wellbeing which have been effective.

## **Financial Controls within use of grant funding by the Council**

We verified strong control over grant finance with regular reconciliations and tight budget control. The HFU Team has worked closely with finance colleagues to identify appropriate qualifying expenditure and provide forecast and scenario planning to meet the changing needs of guests and hosts.

We have identified areas of improvement including completing the review of the HFU master data sheet and database options, continue to communicate processes across the partnership and maintain open discussion and undertake an impact assessment to obtain an understanding of the Councils future resource requirements

## Ukrainian Settlement Scheme

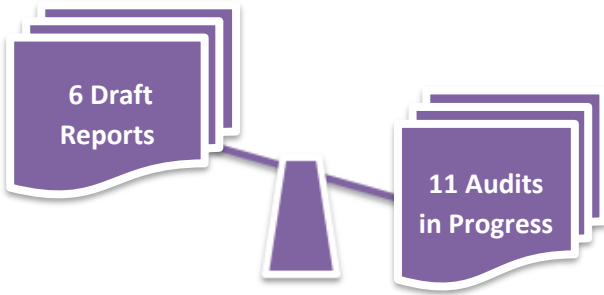
# Consultancy Reviews

We have identified areas of improvement including

- completing the review of the HFU master data sheet and database options
- continue to communicate processes across the partnership and maintain open discussion and undertake an impact assessment to obtain an understanding of the Councils future resource requirements

Implementation of agreed management action will be tracked in the normal way.

**Ukrainian  
Settlement  
Scheme**



## Audits in Progress

We have 11 audits at fieldwork stage:

- IMT follow ups – Business Continuity & Disaster Recovery / Network Infrastructure Security
- Acquisitions and disposals
- Debtors
- Key Controls – Accounts Payable
- Key Controls –Pensions Admin
- Key Controls – Pension Fund
- Key Controls – General Ledger
- ICT Network Infrastructure & security
- ICT Starters, movers, leavers
- Educational transport
- Insurance

## Other Significant Work

### Business World Redesign - update

The Business World Re-design continues to progress for an April 2023 go-live. Mandatory training has begun for system users across the Council, Schools and Lincolnshire Fire & Rescue, with specific training put in place for managers and budget holders.

Final testing has been carried out across HR, Finance, Payroll, Pensions and Income Management, with any issues identified being addressed and re-tested.

An extensive data cleanse programme has been in place over the past year, with

regular reviews of data accuracy being an ongoing activity to ensure it is accurate for the final data migration and cut-over which begins on the 17th March.

The monthly project board has shifted to weekly meetings starting from the 2nd March where key delivery functions such as technical assurance, testing, data, training and go-live decision making/ associated risks will be held. The Risk Register is regularly reviewed, updated and red risks are presented to the Board. During March, progress and assurance for go-live will also be discussed with the Corporate Leadership Team and relevant political leadership will also be engaged.

As a contingency - the Council is maintaining the existing Business World system, so that if there are any issues prior to the planned go-live or during the initial implementation the Council is able to roll back to this legacy system.

A number of staff are also due to TUPE transfer to Hoople Ltd as part of the project. TUPE consultation is now complete and this remains on track for the affected staff to transfer to Hoople on the 1st April 23.

Payroll remains a key focus for the project. Following completion of 3 rounds of parallel run activity and additional testing, a Payroll Assurance Action Plan has been agreed to manage remaining activity and provide decision making milestones. Through an Internal Audit Principal secondment, expert Payroll knowledge has been added to the project to support data quality, testing and delivery.

Assurance work planned for 2023/24 includes Internal Audit attendance at the Transformation Board, to support delivery

## **Other Significant Work (cont.)**

and provide advice and support, and Audit work to provide assurance on the key risks and issues of go live and successful delivery. Working with the project team, we will agree targeted work, based on the risks and assurance framework provided by the project team and our own assessments

### **Governance Group – Development of Annual Governance Statement 2023**

We have commenced the annual review of the Council's governance framework and assurance arrangements - supporting the development of the Council's Annual Governance Statement. This involves:

- Evaluation of assurance framework – including outcomes of inspections, the Combined Assurance Status Report, risk intelligence and results of internal audit work.
- Interviews with key stakeholders including Executive Directors.
- Other assurance intelligence to help evaluate how well the Council's governance framework and assurance arrangements work in practice.

The Annual Governance Statement will be considered and approved by the Corporate Leadership Team prior to review by the Audit Committee at its June 2023 meeting.

The statement is signed by the Leader of the Council, Chief Executive and the Deputy Chief Executive & Director of Resources (the Council's Section 151 Officer).

## **Audit Committee Support**

We continue to provide support to the Audit Committee – during this period we helped with the development of the Audit Committee Annual Report 2022 and continued exploration of joint working with Overview & Scrutiny Management Board.

### **Supporting Families**

We continue to deliver regular review over the Supporting Families grant – quarters 1 2 and 3 are completed. No issues were reported.



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



**Positive  
feedback has  
been received**



**Plan  
completed  
83%**







# Other Matters of Interest

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

## **CIPFA Guidance for Audit Committees – updated October 2022**

This fully revised and updated edition takes into account recent legislative changes and professional developments and supports the 2022 CIPFA Position Statement. It includes additional guidance and resources to support audit committee members, and those working with and supporting the committee's development. We will be looking to provide the Committee with training in the new financial year which will include providing the Committee with the key headlines of the guidance and benchmark current arrangements with this new best practice guidance.

<https://www.cipfa.org/services/support-for-audit-committees>

## **The Committee on Standards in Public Life publishes new report, 'Leading in Practice'**

The independent Committee on Standards in Public Life has published 'Leading in Practice', a new report which shares examples and case studies gathered from public and private sector organisations on maintaining ethical organisational practices.

There is also an open letter from Committee Chair Lord Evans, to all public sector leaders, encouraging them to think about how they build and support a robust ethical culture. It includes 20 questions for leaders and others to reflect on.

[Committee on Standards in Public Life](#)

## **Thurrock Council- Funding gap and current position**

The government has intervened to hand Essex County Council control of financial functions of Thurrock Council, amid concerns over debt levels.

Details of the authority's financial woes became clearer in November, when a £452m funding gap emerged in this year's budget due to the impairment of four assets and a significant increase to Minimum Revenue Provision in order to comply with the guidelines.

A best value inspection is being undertaken to review the governance, audit, risk management and overview and scrutiny at the unitary authority.

[Essex to manage finances of Thurrock Council | Public Finance](#)

[Thurrock seeks £182m of exceptional support | Public Finance](#)



# Other Matters of Interest

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

## **Mazars Horizon Scanning 22-23**

Every year Mazars produces a horizon scanning report which focuses on the expected upcoming challenges faced by Local Authorities. Some of the themes covered in the report include:

- Economic challenges - including the cost-of-living crisis
- Work force crisis - recruitment and retention
- Social housing - housing stock, consumer regulation and diverse tenant needs
- Political uncertainty - impact of the change in key leadership roles and government policy
- Sustainability - meeting Net Zero targets

This report will be considered as part of our audit planning for 2022/23.

See the link below for the report:

[New and emerging areas of risks for Internal Heads of Audit - Mazars - United Kingdom](#)

**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.

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
Supporting Families 1	Review and validation of periodic claims for the Supporting Families programme.	20/06/2022	20/06/2022	24/06/2022	Completed
Substance Misuse Grant	To confirm compliance with Grant funding criteria	15/07/2022	15/07/2022	20/07/2022	Completed
BSOG Grant	To confirm compliance with Grant funding criteria	31/08/2022	06/09/2022	29/09/2022	Completed
Supporting families 2	Review and validation of periodic claims for the Troubled Families programme.	01/09/2022	20/09/2022	28/09/2022	Completed
Economic Development – Allocation of Covid Business grants	To confirm compliance with Grant funding criteria	22/09/2022	22/09/2022	06/03/2023	Completed
Mosaic Finance implementation – follow up (Abacus Payment system)	Follow up around the Low assurance report issued March 2021 to confirm implementation of management actions and progress	01/04/2022	14/04/2022	18/10/2022	Completed
LFR Procurement card usage	To provide assurance on the use of procurement cards across Lincolnshire Fire and Rescue service and compliance with the new policy and procedure documents.	01/02/2022	10/02/2022		Draft report, awaiting management response
Capital Project Decision Making process	To provide assurance around the decision-making process for capital investment projects, specifically focusing on the Market Deeping Business Centre.	01/06/2022	07/06/2022		Draft report

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
Allocation of Covid Business Grants	To provide assurance the Council has operated in line with grant conditions and that the process has been effectively managed and controlled. Post payment checks looking at indicators of fraud will also form part of this review.	01/04/2022	22/06/2022	06/03/2023	Completed
IMT follow up – Business Continuity & Disaster Recovery / Network Infrastructure Security	Follow up around two Limited assurance reports issued in 2021 to confirm implementation of management actions and progress	01/05/2022	17/05/2022		Fieldwork stage
Green Master Plan	To review the LCC Master Green Plan, including the Carbon action plan and the Sustainability, Climate Change and Environment Strategy to assess progress against underpinning values and Work will include a high level review of a sample of projects included in the Green master plan.	09/09/2022	09/09/2022		Draft report
Ukrainian Refugee Settlement	To provide an independent review and assurance over the arrangements in place to deliver the Homes for Ukraine Scheme. Our review will concentrate on the arrangements from Lincolnshire County Council's perspective.	15/08/2022	27/09/2022	20/02/2022	Consultancy Completed
Good Governance Review	Review of governance arrangements against the CIPFA Framework for Delivering Good Governance in Local Government (2016).	01/07/2022	01/07/2022		Draft report

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
Low Value Highways Insurance claims	To provide assurance that the processing of low value insurance highways claims is well controlled.	19/05/2022	19/05/2022	21/11/2022	Completed
Recruitment & Retention (data analytics)	Initial analysis and review of recruitment data across the Council in the last 2 years. To inform further Recruitment & Retention audit later in the year.	30/05/2022	06/06/2022		Draft report
Adults Financial Assessments	Confirm improvements have been made in the financial assessments process following the implementation of the new policy and management actions	11/04/2022	12/05/2022		Draft report
Corporate Plan & Success Framework	To assess performance against the objectives within the Council's Corporate.	21/09/2022	25/11/2022		Draft report
Procurement (Kier tender)	To review procurement arrangements.	12/07/2022	12/07/2022	05/12/2022	Completed
Acquisitions & Disposals	This audit has been requested by the Deputy Chief Executive & Executive Director of Resources. It seeks to provide some independent insight and assurance on the effectiveness of land and property asset disposals within the Council.	17/10/2022	17/10/2022		Fieldwork
Payment system – lessons learned	Lessons learned exercise around contract management of Council's payment collection system.	20/09/2022	20/09/2022		Draft report
ICT – Microsoft Office 365 Security	To provide assurance that the design and implementation of the controls for managing Microsoft Office 365 are adequate to maintain the confidentiality, integrity and availability of data and meet organisational needs.	12/09/2022	12/09/2022	08/12/2022	Completed

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
ICT – Starters, Movers & Leavers	<p>The review will focus on providing assurance that the authority has appropriate arrangements in place to ensure that:</p> <ul style="list-style-type: none"> <li>• Only authorised users are enrolled promptly onto the network</li> <li>• The removal of access is undertaken without delay where access is no longer required</li> </ul>				Planning
ICT – Network Infrastructure & Security	<p>To assess the network architecture and design that remains on site to determine whether adequate security mechanisms are in place and operating effectively and provide assurance that the risks associated with network security are mitigated through appropriate security measures.</p>				Planning
Insurance	<p>To review the effectiveness of management of the Council's insurance arrangements – including claims handling and the sustainability of the insurance fund / risk appetite.</p>				Being completed by an external body
Debtors	<p>Review the debtors' process - to assess debt reporting governance and senior management oversight on debt levels and write offs. Coverage will include the impact of gross social care payments &amp; recovery of contributions.</p>	09/01/2023	17/01/23		Fieldwork
Educational Transport	To be agreed	March 2023			Planning

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
Financial systems – key control testing	Testing and analytical review of key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements	February 2022	February 22		Fieldwork
BW implementation	To provide independent insight, advice and assurance on the implementation of the Hoople Standard version of BW, particularly around readiness for go-live in April 2023.				Planned Q4, deferred to next year
Supporting Families Q3 & Q4	Review and validation of periodic claims for the Supporting Families programme.	14/12/22	14/12/22	19/12/22	Q3 Completed
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.	October 2022	October 2022	December 2022	Completed



Deferred Audits			
Audit	Rationale	Change	Approval
Contract Management	Activity covered in specific audits added to the Plan (see below). Will be included in 2023/24 plan – joint assurance and proactive counter fraud review.	Replaced	Lucy Pledge, HOS
Budget Management	Deferred based on current business risk and to accommodate alternative priorities.  External consultant engaged to review Financial Management Code – this will provide an overview of assurance.	Deferred	Lucy Pledge, HOS
Capital Projects – Financial Resilience & Decision making	Deferred based on current business risk and to accommodate alternative priorities.	Deferred	Lucy Pledge, HOS
ICT PSN Compliance/ Cyber Security	ICT plan priorities revised – audit is included within ICT planning for 2023/24	Deferred	Lucy Pledge, HOS
Payroll	Client focus on BW go-live and parallel testing. Assurance work supporting BW project – the new system will be audited on 2023/24.	Deferred	Lucy Pledge, HOS
Transformation Programme – Benefits Realisation	Deferred due to ongoing work by the Transformation team. Internal Audit continue to attend the Transformation Board meetings.	Deferred	Lucy Pledge, HOS

New Audits			
Audit	Scope	Change	Approval
Ukrainian Refugee Settlement	To provide an independent review and assurance over the arrangements in place to deliver the Homes for Ukraine Scheme. Our review will concentrate on the arrangements from Lincolnshire County Council's perspective.	Review requested by Adult Care & Community Wellbeing and Public Health.	Lucy Pledge, HOS
Procurement Tender	Lessons learned exercise around the contract management and tendering process.	Review requested by the Deputy Chief Executive & Executive Director of Resources.	Lucy Pledge, HOS
Acquisitions & Disposals	It seeks to provide independent insight and assurance on the effectiveness of land and property asset disposals within the Council.	Review requested by the Deputy Chief Executive & Executive Director of Resources.	Lucy Pledge, HOS
Payment system – lessons learned	Lessons learned exercise around contract management of Council's payment collection system.	Review requested by the Deputy Chief Executive & Executive Director of Resources.	Lucy Pledge, HOS
Educational Transport	To provide an independent review of single occupancy transport, eligibility compliance and SEN children in the County.	Review requested by the Chief Executive	Lucy Pledge, HOS

## Tracker Report – all outstanding audit actions due 31/01/23

Activity	Issue Date	Assurance	Total recs	Recs Imp	Priority of Overdue Recommendations			Recs not due
					High	Medium	Low	
Financial Resilience	May 2022	Substantial	4	2	0	2	0	0
	Financial Management code was presented to Committee on 26/09/22. An external review of the Council's financial resilience is underway and the results of this review will be presented to Audit Committee.							
Transport Connect	April 2022	Limited	12	12	0	0	0	0
	All recommendations have been implemented.							
Foster Carers	Aug 2022	Substantial	2	1	0	1	0	0
	Three strategy documents have now been combined into a single strategy around Foster Carer Marketing, Recruitment & Retention and is going through a review and approval process.							
ICT Virus Protection / Malware	Aug 2022	Substantial	5	2	0	0	0	3
	All recommendations were medium priority – the 3 not yet actioned are not due until later in the year.							
Payroll	Sept 2022	Substantial	8	2	0	1	0	5
	Majority of management actions are not due for implementation until the end of the year. One action which is in progress has been extended until 31.03.23. This is in respect of training on the new HR system.							
Microsoft Office 365 Security	Dec 22	Substantial	4	0	0	0	0	4
	Recommendations are not yet due							
Low value Highways Insurance claims	Nov 22	Substantial	1	1	0	0	0	0
	Action has been implemented							

## Tracker Report – all outstanding audit actions due 31/01/23

Activity	Issue Date	Assurance	Total recs	Recs Imp	Priority of Overdue Recommendations			Recs not due
					High	Medium	Low	
Treasury Management & Investment Strategy	Aug 2020	Substantial	2	1	0	1	0	0
	The update to Treasury Management Practices is now in progress and target date for completion is the end of the financial year.							
Better Care Fund (BCF)	Aug 2021	High	1	1	0	0	0	0
	On 6 <sup>th</sup> December the Health and Wellbeing Board agreed to receive quarterly performance reports for the BCF, measures have been agreed and the first report is due March 28th. In addition to this monthly meetings are being put in place for further oversight of financials, performance and outcomes with an escalation route agreed if needed.							
ICT Privileged Access Management	May 2022	Substantial	6	4	1	0	0	1
	A number of technical projects are in progress which will strengthen password policies and are due for completion by 30/04/2023.							
Bank Reconciliation	March 2022	Substantial	3	1	0	1	0	1
	Outstanding actions are linked to work preparing for the implementation of Hoopla BW system. Additional system reports are required and can be requested post implementation. Current reporting continues in the meantime.							
General Ledger (key control testing)	June 2022	High	3	1	0	0	0	2
	Outstanding actions around control accounts and reporting are not due to be completed until implementation of the Hoopla BW solution.							
TOTAL			51	28	1	6	0	16