TO: GOVERNANCE AND AUDIT COMMITTEE
DATE: 26th June 2019

INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2018/19
(Head of Audit and Risk Management)

1.PURPOSE OF REPORT

1.1   Under the Public Sector Internal Audit Standards, the Head of Audit is required to deliver an annual internal audit opinion. This is timed to inform review of the Annual Governance Statement (AGS).

2.RECOMMENDATION

2.1   The Governance and Audit Committee note the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2018/19.

3.REASONS FOR RECOMMENDATION

3.1   To support assurances set out in the Annual Governance Statement and ensure compliance with the Public Sector Internal Audit Standards.

4.ALTERNATIVE OPTIONS CONSIDERED

4.1   The Committee could choose not to receive the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion but would then not be aware of the relevant assurances from Internal Audit supporting the Annual Governance Statement and would not be complying with the Public Sector Internal Audit Standards.

5.SUPPORTING INFORMATION

5.1   The Council is required under the Accounts and Audit (Amendment)(England) Regulations to "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".

5.2   The Public Sector Internal Audit Standards applicable to local government require the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement. This report should include an overall opinion on the adequacy of the control environment, a summary of the work that supports the opinion and a statement on conformance with the Public Sector Internal Audit Standards (PSIAS).

5.3   The attached report sets out the Head of Internal Audit's Opinion for 2018/19 summarising the results and conclusions of Internal Audit's work for 2018/19 and a statement on compliance with PSIAS. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This opinion can, therefore, only provide reasonable and not absolute assurance based on the work undertaken and areas audited.

6. ADVICE FROM STATUTORY OFFICERS

6.1 <u>Director of Finance</u>
There are no financial implications arising from this report.

6.2 <u>Borough Solicitor</u>
The report has helped inform the contents of the Annual Governance Statement prepared by the Borough Solicitor which is included as a separate item on the agenda. Notwithstanding the limited assurance opinion set out in this report, the Borough Solicitor has been able to provide a full assurance against the Council's overarching governance outcomes. This has been possible in light of the work undertaken by the Internal Audit team to identify common areas for improvement within the internal control framework and the prompt follow up activity undertaken by the Council's Corporate Management Team in developing a robust action plan in response to the issues identified

6.3 <u>Equalities Impact Assessment</u>
Not applicable.

6.4 <u>Strategic Risk Management Issues</u>

The Head of Internal Audit's Annual Report provides her opinion on the control environment in place at the Council. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether.

7 CONSULTATION

7.1 Not applicable.

<u>Contact for further information</u>

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<u>Doc. Ref</u>
Accounts and Audit Regulations
Public Sector Internal Audit Standards

BRACKNELL FOREST

HEAD OF AUDIT AND RISK MANAGEMENT'S ANNUAL REPORT

June 2019

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1.BACKGROUND

The Council is required under the Accounts and Audit (Amendment) (England) Regulations to "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control."

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement.

2. PURPOSE AND SCOPE OF THE HEAD OF INTERNAL AUDIT'S ANNUAL REPORT

The Head of Internal Audit's annual report

- Includes an opinion on the overall adequacy and effectiveness of the organisation's control environment;

- Discloses any qualifications to that opinion together with the reasons for that qualification;

- Presents a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;

- Draws attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;

- Compares the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and targets; and

- Comments on compliance with Public Sector Internal Audit Standards and communicates the results of the internal audit quality assurance programme.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement and opinion can, therefore, only provide reasonable and not absolute assurance. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise.

HEAD OF AUDIT AND RISK MANAGEMENT'S OPINION

2018/19 was a period of transition when the Council underwent major restructuring as part of the necessary transformation programme, which commenced in 2016 in response to financial pressures from reduced central government funding.

The majority of reviews concluded that controls are satisfactory and operating effectively and no reports were issued with a no assurance opinion. However, as set out in section 4.3, one or more key weaknesses were identified at 44% of audits undertaken, including some which had also been raised in previous audit reports. As a consequence, **Limited assurance** can be given that the framework of internal control, risk management and governance was adequate during 2018/19 as a whole.

ASSURANCE LEVELS	NUMBER OF AUDITS
Significant	0
Satisfactory	30
Limited	19
No assurance	0
Total for Audits With an Opinion	49
Follow Up Memos with Priority 1 Recommendation and no Opinion	5
Other Follow Up Memos/ Reports with no Opinion	1
Total Audits	55
Grant Certifications	5

CONFORMANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

Based on the independent external assessment undertaken in March 2016 and update of the internal assessment as set out in Section 6.1, the Head of Audit and Risk Management can confirm that Bracknell Forest internal audit conforms with PSIAS requirements. The Head of Audit and Risk Management can confirm organisational independence of internal audit activity and absence of impairment to objectivity or independence during 2018/19.

The definitions for the assurance opinion levels and recommendation priorities are as follows:

🟢	**Significant Assurance**	There is a sound system of internal controls to meet the system objectives and manage risks and testing performed indicates that controls tested are consistently complied with.
🟡	**Satisfactory Assurance**	There is basically a sound system of internal controls to manage risk although there are some minor weaknesses in controls and/or there is evidence that the level of non-compliance may put some minor systems objectives at risk.
🟠	**Limited Assurance**	There are some weaknesses in the adequacy of the internal control system and management of risks which put the systems objectives at risk and/or the level of compliance or non compliance puts some of the systems objectives at risk.
🔴	**No Assurance**	Control is weak and management of risks is inadequate leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

2.4 We categorise our **recommendations** according to their level of priority.

High	**Priority 1**	Fundamental weakness in the design of controls or consistent non-compliance with controls that puts the achievement of systems objectives at risk.
Medium	**Priority 2**	Weakness in the design of controls or inconsistency in compliance with controls puts the achievement of systems objectives at risk.
Low	**Priority 3**	Recommended best practice to improve overall control.

4. INTERNAL CONTROL

4.1 Corporate Management Team Action to Address Key Control Weaknesses

The Corporate Management Team (CMT) has already taken steps to review the audit reports with a limited assurance opinion and/ or priority 1 recommendations with the Head of Audit and Risk Management to identify any key, recurring common themes arising from these audit reviews for corporate focus. The common themes identified as requiring focus were:

- debt management;

- completion of statutory annual reviews /other internal reviews or visits;

- third party financial monitoring;

- contract management; and

- review and update of guidance/policies/procedures.

Actions are being identified and implemented to address these themes. These include appointing a credit control officer and Early Help engaging with individuals in debt to the Council to advise them on how to improve their management of their personal finances, bringing in an independent expert to improve quality assurance monitoring and reviewing recommendations on procedures and guidance to prioritise documents in greatest need of updating.

The provisional audit plan for 2019/20 has been re-visited by CMT to confirm it addresses the key common themes coming out of the 2018/19 audits. Audit has been informed that action is now being undertaken to monitor progress on recommendations in limited assurance audit reports at Departmental Management Teams and delays in progress will be escalated to CMT.

4.2 Delivery of the Internal Audit Plan 2018/19

The resources available for internal audit are finite and not all areas can be covered every year. Therefore internal audit resources are allocated using a risk based approach. The Internal Audit Plan for 2018/19 was considered and approved by the Governance and Audit Committee on 28th March 2019. The delivery of the individual audits in the Internal Audit Plan for 2018/19 was mainly undertaken by Mazars Public Sector Internal Audit Limited. Nine IT audit reviews were delivered by TIAA. All grant claims were audited in house and 9 audits were undertaken by Wokingham Borough Council's Internal Audit teams under an agreement under S113 of the Local Government Act 1972 which permits local authorities to provide staffing resources to other authorities.

Some alterations were made to the original plan during the year in response to information gained during the year. These are clearly shown in Appendix 2. At the time of writing this report, 1 advisory review on governance following the organisational restructure was a work in progress and all other audits had been finalised or certified in the case of grant claims. The outcome for each audit is summarised at Appendix 2.

4.3 Key Control Weaknesses

In forming her annual opinion, the Head of Audit and Risk Management is required to comment on the adequacy of the internal control environment, which includes consideration of risk or governance issues and control weaknesses identified. The table below summarises the audits where major issues were found during 2018/19 and the details of these issues is set out in Appendix 1:

AUDITS WHERE KEY ISSUES HAVE BEEN IDENTIFIED

COUNCIL WIDE

- Officers Expenses on the Agresso IT System (Also limited in 2017/18 and 2016/17)
- Debt Management
- Purchase Cards
- Absence Management
- Social Media

PEOPLE

- SEN Resource Provisions (Follow Up Memo. Also limited in 2017/18)
- Personal Education Plans (Follow Up Memo. Also limited in 2017/18)
- Forestcare (Follow Up Memo. Also limited in 2017/18)
- Adult Social Care Pathway (Qtr 4 2017/18 Audit)
- Housing Rents and Deposits
- Adults Residential Care
- Direct Payments
- Public Health
- Domiciliary Care

DELIVERY

- Home to School Transport. (Follow Up Memo. Also limited in 2016/17 and 2017/18)
- Cyber Security (Also Limited Assurance in 2017/18)
- IT Asset Management (Also Limited Assurance in 2015/16)
- Enterprise Agreement
- Business Rates (Also Limited Assurance in 2017/18)
- Council Tax (Also Limited Assurance in 2017/18)

FINANCE

- Creditors System (Also limited in 2017/18, 2016/17, 2015/16 and 2014/15

PLACE, PLANNING AND REGENERATION/FINANCE

- CIL/S106

SCHOOL GOVERNING BODIES
• School A (Also Limited Assurance in 2017/18
• School G (Also Limited Assurance in 2017/18

4.4 Follow up of Previous Limited Assurance Opinions

The Internal Audit procedure is for areas given a limited assurance opinion to be re-audited in the following year. Section 4.3 and Appendix 1 sets out those 12 areas that have already been re-audited and found to still have major issues. The table below provides and update on the position on the remaining areas where limited assurance was previously given.

AUDITS WITH MAJOR ISSUES IDENTIFIED	CURRENT STATUS
DISASTER RECOVERY	Re-audited in quarter 3 and the significant issues have been addressed subject to ICT seeking review and approval of DR procedures.
CAR PARKS	The follow up audit has been cancelled whilst outstanding issues around parking penalty notices are being addressed. An update on this is provided at Appendix 5.
ITRENT APPRAISAL MODULE	No follow up required.
SOCIAL CARE PATHWAY	To be revisited in the second half of 2019/20
PRIMARY SCHOOL B (Limited assurance in 14/15, 15/16 and 16/17. Follow up in 17/18 deferred due to staff sickness in the School)	To be re-audited in quarter 1 of 2019/20.
PRIMARY SCHOOL H	Re-audited in quarter 4 and the significant issues have been addressed

4.5 Follow up of Audit Recommendations

A further follow up exercise has been completed on audits where a satisfactory opinion was given to identify progress on implementation of agreed recommendations. This was based on management being asked to provide feedback on the status of recommendations and the outcome is set out in Appendix 3. This identified that out of 106 priority 2 recommendations, 58 were implemented and 39 were in progress and 25 out of 30 priority 3 recommendations were either implemented or in progress.

5. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

5.1 Compliance with Public Sector Internal Audit Standards

The Public Sector Internal Audit Standards (PSIAS) came into effect on 1 April 2013. These standards provide a consistent framework for all internal audit services in the public sector across the UK. There is a requirement in the Standards for the Head of Audit and Risk Management to report on conformance with the PSIAS in her annual report based on the outcome of internal and external assessment of compliance. PSIAS Standard 1312 states that *"External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation…"*

The external assessment of Bracknell Forest Council's internal audit services was carried out in March 2016 when the conclusion was that internal audit at Bracknell Forest Council generally conforms with the Public Sector Internal Audit Standards with a high level of compliance. In addition, the Council's main internal audit contractor, Mazars engaged consultants to carry out an external assessment of their own compliance with PSIAS in November 2016 which similarly identified a high level of compliance with the Standards.

An internal assessment which confirmed the Council's continuing compliance with PSIAS was carried out by the by the Head of Audit and Risk Management in May 2019.

5.2 Summary of Internal Audit Performance 2017/18

	Client Questionnaires		Draft Report Produced within 15 Days of Exit meeting
	Received	**Satisfactory**	
2018/19	20	100%	70%
2017/18	34	100%	76%

5.3 Feedback from Client Quality Questionnaires

The overall response from client questionnaires for 2018/19 was positive with no responses returned where the auditee did not find the audit satisfactory.

6. EXTERNAL INSPECTIONS

In accordance with Public Sector Internal audit Standards the Head of Audit and Risk Management is required to consider the outcome of the external inspections and assessments to inform the development and ongoing review of the Internal Audit

Plan for the current and future years and assess if there are any issues relating to the control environment which need to be taken into account in drawing up the annual Head of Internal Audit Opinion. The findings of the various assessments considered when finalising the Head of Internal Audit Opinion for 2018/19 are as follows:

- *External Auditors' Annual Audit Letter 2017/18*. The Annual Audit Letter 2017/18 from Ernst and Young was presented to the Governance and Audit Committee on 31st October 20180th September. Ernst and Young issued an unqualified audit opinion for the year ended 31 March 2018. They also issued an unqualified opinion on whether the Council had put in place proper arrangements for securing economy, efficiency and effectiveness.

- *External Auditors' Grant Certification Report 2017/8*. The Grant Certification Report 2017/18 from Ernst and Young was presented to the Governance and Audit Committee on 30th January 2019. This covered the Housing Benefit Subsidy Claim. Whilst there was a qualification on the claim, no amendments were made to the claim as a result of audit work on the audit work

- *Joint Area Child Protection Inspection.* The joint inspection report published in March 2019 identified no priority actions.

- *Care Quality Commission (CQC) Inspections.* CQC inspections of intermediate care services and Waymead Short Term Care in April and May 2018 both resulted in overall ratings of "Good".

- *School Financial Value Standard.* The schools financial value standard (SFVS) is a mandatory requirement for local authority (LA) maintained schools in managing their finances and to give assurance that they have secure financial management in place. It is primarily a tool for governing bodies. The standard consists of 25 questions which governing bodies or management committees should formally discuss annually with the head teacher and senior staff. Schools are required to complete the checklist, and arrange for this to be signed by the Chair of Governors by 31st March each year. All but one maintained schools completed their 2018/19 SFVS on time. In one case the SFVS was not completed due to vacancies in the Head Teacher and Bursar posts. Academy schools are exempt.

7. RISK MANAGEMENT

During 2018/19, the Strategic Risk Register was reviewed quarterly by the Strategic Risk Management Group (SRMG) and twice by the Corporate Management Team (in June 2018 and January 2019) as agreed in the Risk Management Strategy. The Register was subject to Member review by the Governance and Audit Committee in June 2018 and January 2019.

Directorate Risk Registers under the new organisational structure are generally in place and being reviewed quarterly but are still being developed for some key areas. These record the significant operational risks for each directorate and inform the update of the Strategic Risk Register. All the major projects at the Council should have risk registers in place that are reviewed regularly although an audit of one IT project during 2018/19 identified that a risk register had not been put in place.

Risk awareness is being continually raised through the internal audit process, for example during internal audits of project management and by drawing attention to managers' responsibilities for assessing fraud risks and putting controls in place to prevent, deter and detect fraud and focussing on risk management within the contract management process.

8. CORPORATE GOVERNANCE

During 2018/19, the Annual Governance Statement was produced by Legal Services and an action plan to address governance weaknesses was developed.

A number of audits carried out during 2018/19 included elements of governance such as the audits of officers' expenses and social media and in addition an advisory gap analysis on governance under the new structure is ongoing.

9. FRAUD AND IRREGULARITY

9.1 National Fraud Initiative (NFI)

The NFI is a biennial data matching exercise first introduced in 1996 and conducted by the Audit Commission to assist in the prevention and detection of fraud and error in public bodies. Bracknell Forest Council is obliged to participate in this. The core mandatory data for submission in the autumn of 2018 is:

- payroll
- pensions
- trade creditors
- housing waiting lists
- housing benefits (provided by the DWP)
- council tax reduction scheme
- council tax (required annually)
- electoral register (required annually)
- private supported care home residents

- transport passes and permits (including residents' parking, blue badges and concessionary travel)

- licences – market trader/operator, taxi driver and personal licences to supply alcohol

- personal budget (direct payments)

Matches for investigation have now started to come through for investigation and the outcome will be reported in due course.

9.2 Benefits Investigations

On 1st December 2014, the Council's Benefit Fraud Investigation Officers transferred to the Single Fraud Investigation Service (SFIS) within the Department for Work and Pensions (DWP) as part of the national government programme of centralising the investigation of welfare benefit fraud. The Welfare Service passes cases of overpayments in excess of £3k and cases where fraud is suspected to SFIS for investigation. Members of the public are directed to contact the DWP directly where fraud is suspected and so SFIS receives further fraud information requests where fraud has been reported from another source. During the period April 2018 to March 2019 there were 55 referrals to SFIS. We have so far been notified of 3 administrative penalties relating to these cases. During the financial year 2017/18, 95 cases were referred and the Welfare Service have been notified of 11 administrative penalties and 1 prosecution by SFIS.

From 1st April 2014, if a claimant is notified that they have been overpaid Housing Benefit by £250 or more, which must have occurred wholly after 1st October 2012, Bracknell Forest Borough Council has been able to impose a set Civil Penalty of £50. The £50 Civil Penalty applies if benefit is overpaid because the claimant negligently gave incorrect information and didn't take reasonable steps to correct their mistake or failed to tell the Council about a change or failed to give them information without a reasonable excuse. Between April 2018 and March 2019 the service applied 163 Civil Penalties. From April 2016 Bracknell Forest Council has applied apply penalties of £70 in respect of Council Tax. Between April 2018 and March 2019 the service applied 12 Council Tax Penalties.

Since January 2018 the DWP no longer issue mandatory referrals for Real Time Information (RTI) system for Housing Benefit to detect undeclared income. This has been replaced by the Verify Earnings and Pensions (VEP) Alerts service which provides local authorities with the capability to prevent fraud and error arising through real time identification of changes in income. The service provides Alerts to users to prompt them to access the service when there is a change in the claimants or partner's employment or pension. The DWP commenced the roll out to Local Authorities from May 2018 with Bracknell Forest Council using the service from October 2018. Since October 2018 to March 2019, 423 changes of circumstances to Housing Benefit were recorded as actioned due to VEP of which approximately 59.8% resulted in a decrease to Housing Benefit, and approximately 22.9% resulted in an increase to Housing Benefit.

9.3 Single Person Discount

During Quarter 3, the Revenues Team engaged external consultants to carry out a data matching exercise to identify potential mis-claiming of Council Tax Single Person Discount (SPD). This is now complete. A total of 1,380 cases were selected for review which resulted in 448 SPDs being removed and an increase in revenue of £174K exceeding initial expectations for the exercise.

9.4 Counter Fraud Training

During quarter 4, seven fraud awareness sessions were held which were open to all staff around the Council. These sessions were delivered by Reading Borough Council's Corporate Investigation Team. Further sessions are planned for 2019/20. Internal Audit also started issuing quarterly counter fraud bulletins in October 2018 to increase awareness of the risk of fraud in local authorities and draw attention to the policies that the Council has in place to prevent fraud.

9.5 Potential Irregularities

At the start of quarter 4, Internal Audit were asked to investigate allegations of abuse of position by two different members of staff. These were investigated and no evidence of this could be found in either case.

During quarter 4, two cases of employees in school potentially abusing housing benefits were referred to the relevant schools for disciplinary investigation.

AUDITS WITH KEY CONTROL ISSUES IDENTIFIED

COUNCIL WIDE AUDITS
<u>Officers Expenses on the Agresso IT System (Also limited in 2017/18 and 2016/17)</u> Two priority 1 recommendations were raised due to IT system weaknesses in both the audit trail for authorisation and the treatment of VAT for expense claims. Audit has been advised that the audit trail issue has been highlighted as a key priority to be extensively tested as part of the system upgrade this year. Functionality to address the VAT issue will be included in the upgrade and the systems team is currently reviewing whether these changes for VAT could also be made to the existing system.
<u>Debt Management</u> Two priority 1 recommendations were raised in respect of weaknesses in service areas over debt management which is a responsibility that sits outside the central Debtors function. Audit has been advised that in response to this, the current arrangements for debt management are being reviewed to identify the most effective credit control model for the Council.
<u>Purchase Cards</u> A priority one recommendation was raised due to non-compliance with controls to review and approve purchase card expenditure. Management have advised Audit that monitoring arrangements have since been amended to ensure authorisations are kept up to date.
<u>Absence Management</u> One priority one recommendation was raised in respect of uncertainty about the completeness of sickness recorded. Audit have been advised by HR&OD that action has been taken already to introduce automated reports to managers which show the level of absence recorded within teams. However HR & OD have committed to further automating those reports to provide for a facility for managers to have to confirm that they have spoken to team members to confirm that absence reporting is correct for the relevant reporting period. This will enable all parties to have improved confidence that absence reporting is current.
<u>Social Media</u> Four priority 1 recommendations were raised. These related to the Social Media Protocol and Acceptable Use of the Internet Policy being out of date, personal devices being used for corporate social media purposes and the absence of a Bring Your Own Device Policy. Audit has been advised that an updated Protocol and Internet Policy are in draft awaiting review and approval and these will address the use of personal devices.

PEOPLE

SEN Resource Provisions (Follow Up Memo. Also limited in 2017/18)

Three priority 1 recommendations were re-raised on the absence of formal agreements, lack of targets and outcomes and ambiguity in the calculation of funding. Audit has been advised that the recommendations are being addressed as a priority in partnership with the commissioning team across the newly formed People Directorate. An initial scoping exercise is currently being completed to determine the most effective form of contract management and performance review arrangements needed, through an external review. This is expected to be completed by December 2018 with priorities to be addressed and implemented by March 2019.

Personal Education Plans (Follow Up Memo. Also limited in 2017/18)

Two priority 1 recommendations were raised. The first is a re-raised recommendation on the absence of manager quality review checks which were still to be introduced at the time of the audit and the second is a new priority 1 recommendation to address weaknesses in policy and guidance documents. Audit has been informed that the Virtual School has now launched a new ePEP system (Electronic online system) from September 2018 which incorporates the audit recommendations around quality review.

Forestcare (Follow Up Memo. Also limited in 2017/18)

Two new priority 1 recommendations were raised on outstanding contract terminations and rising debt and weaknesses in debt collection. Audit has been informed that the Forestcare Finance Officer and the Corporate Finance team will be working together on outstanding billing issues and debt management.

Adult Social Care Pathway (Qtr 4 2017/18 Audit)

One priority 1 recommendation was raised on the number of overdue reviews and weaknesses in management information on the number of overdue reviews. Audit has been informed that each area of Adults Services has been addressing annual reviews to strengthen performance through measures such as allocating additional resources where required, prioritising and re-scheduling reviews to avoid pressure points such as summer holidays. Improvements are being made to improve tracking and accuracy of management information on status of reviews.

Housing Rents and Deposits

Six priority 1 recommendations were raised to address weaknesses in authorisation of rent advance loans, in determining repayment terms, checks on continuing residency, debt management for both current and former tenants and reconciliation processes. Officers are developing more comprehensive guidance for staff and enhanced checklists to improve controls and approval processes. This will be introduced following training sessions to be held for teams in quarter 3. Audit has been advised that action will now be taken to review the reconciliation process.

Adults Residential Care

Three priority 1 recommendations were raised in respect of monitoring providers' insurance arrangements, lack of evidence to support rates for placements and annual quality review visits not being completed. Audit have been informed that evidence of insurance will be sought from providers, purchase orders showing rates will be processed through the Controcc system in future and a schedule of visits has been developed for 2019/20.

Direct Payments

Four priority one recommendations were raised on accuracy of records of individuals in receipt of direct payments, weaknesses in monitoring checks for both pre-paid cards and where individuals direct payments is paid into a bank account and the need to follow up queries raised by monitoring checks. Audit have been advised that action will be taken to reconcile records, ensure monitoring checks are completed and develop an escalation process for issues identified by monitoring checks.

Public Health

A priority one recommendation was raised where grant monies had not been spent and plans to spend the monies had not been identified. Audit has been informed that the new Public Health consultant has developed proposals to allocate the unspent monies which are being considered by the People Directorate Management Team prior to discussion at Corporate Management Team.

Domiciliary Care

Two priority 1 recommendations were raised to ensure providers submit monthly financial information as set out in their contracts and to put processes in place to monitor hours charged by providers. Management have advised Audit that moving forward they will obtain monthly financial information from providers, that the monitoring form has been enhanced and that processes for monitoring hours will be identified as part of the review of Community Based Support.

DELIVERY

Home to School Transport. (Follow Up Memo. Also limited in 2017/18 and 2016/17)

A priority 1 recommendation was raised again due to weaknesses in DBS checks for drivers. Unlike DBS for escorts, these checks are administered outside of the Home to School Team and hence the team has limited control over this. Audit has advised the Team how this risk can be mitigated and action is being taken to implement this.

Cyber Security (Also Limited Assurance in 2017/18)

Two priority 1 recommendations were raised in 2017/18. One of these has been implemented but the recommendation on the Acceptable Use Policy was outstanding and hence has been re-raised and two of the priority 2 recommendations that have not been implemented have been escalated to priority 1. These relate to patching and monitoring policies. Audit has been

advised that a third party has been contracted to provide support in writing/revising policies and a workshop was held to help facilitate this process.

IT Asset Management (Also Limited Assurance in 2015/16)
Four priority 1 recommendations were raised in relation to access records for the store room, the need for regular stock takes, updating of the Configuration Management Database and the need to maintain adequate records of IT kit awaiting disposal. Audit has been advised that action will be taken to address these areas.

Enterprise Agreement
The audit opinion of limited assurance is due to weaknesses in project management under phase 1 and absence of evidence to support the maintenance of the agreement including the 'True-Up process. Audit have been advised that improvements have been made to project management for phase 2 and action is currently ongoing to investigate the True-Up process.

Business Rates (Also Limited Assurance in 2017/18)
Three priority 1 recommendations were raised where debt write-offs had not been approved in accordance with delegations, weaknesses in the process of inspection of empty properties and arrangements for processing large refunds. Actions have been agreed to address these issues.

Council Tax (Also Limited Assurance in 2017/18)
One priority 1 recommendation was raised where debt write-offs had not been approved in accordance with delegations. A revised authorisation process has been agreed.

FINANCE

Creditors (Also limited in 2017/18, 2016/17, 2015/16 and 2014/15
A priority 1 recommendation was raised as a further system error was identified by sample testing at the 2018/19 audit where an officer authorised a requisition for almost double their delegated authority level. Audit has been advised that the circumstances of this case are being investigated.

PLACE, PLANNING AND REGENERATION/FINANCE

CIL/S106
A priority one recommendation was raised to address weaknesses in financial monitoring of S106 monies. New processes have been agreed and implementation is in progress.

SCHOOL GOVERNING BODIES

School A (Also Limited Assurance in 2017/18
Three Priority 1 recommendations were raised to ensure that regular budget monitoring is undertaken by the Head Teacher and the governors, that the bank account is regularly reconciled for the private fund and present the private fund accounts to governors and to ensure an adequate inventory is put in place and subject to annual verification check and update to governors.

School G (Also Limited Assurance in 2017/18)
One priority 1 recommendation was raised to ensure that a manual check to the barring list is undertaken if the DBS check has not been returned prior to the employee's start date.

2017/18 AUDITS

* Draft report produced within 15 working days of exit meeting to discuss audit findings

Audit	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Payroll and Pre-Employment Checks	14/2/18	18/6/18	X		✓			7	2	Final
New Commercial Properties	13/3/18	27/6/18	✓		✓			11	3	Final
Social Care Pathway	22/1/18	22/6/18	X			✓	1	5		Final

2018/19 AUDITS

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
COUNCIL WIDE Officers Expenses	30/4/18	27/7/18	X			✓				Final
Apprenticeships Levy	28/8/18	25/9/18	✓		✓			1	1	Final
Absence Management	17/9/18	8/11/18	✓			✓	1	9		Final
Bracknell Forest										Audit

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Lottery										cancelled be determined
Capital Budgeting	18/2/19	17/4/19	X		✓			4		Final
Delegations										Replaced by the audit below which will encompass wider governance under the new structure
Governance Under the New Structure										Work in Progress
Cleaning Contract	25/6/18	17/8/18	✓		✓			6		Final
Council Wide Debt Management	11/10/18	10/12/18	✓			✓	2	5	2	Final
Purchase Cards	23/7/18	8/11/18	X			✓	1	3	1	Final
COUNCIL WIDE IT AUDIT Social Media	26/6/18	21/11/18	✓			✓	4	4	5	Final
GRANTS Troubled Families June 2018	26/6/18	30/6/18	N/A	N/A – Grant certification						Certified
Troubled Families September 2018	17/9/18	18/918	N/A	N/A – Grant certification						Certified
Troubled Families December 2018	5/12/18	19/12/18	N/A	N/A – Grant certification						Certified

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
March 2019	21/3/19			N/A – Grant certification						Certified
Bus Operator's Grant	17/9/18	20/9/18	N/A	N/A – Grant certification						Certified
FINANCE Creditors including Controcc transactions	7/1/19	28/2/19	✓			✓	1	5	1	Final
Debtors including Controcc transactions										Audit cancelled and replaced by Council wide debt management audit.
Main Accounting including Reconciliations	25/10/18	20/12/18	✓		✓			3		Final
Payroll including Pre-employment Checks	29/11/18	8/1/19	✓		✓			7	1	Final
FINANCE IT AUDIT Agresso										Deferred to 2019/20
DELIVERY Cash Management	18/10/18	3/12/18	✓		✓			1	1	Final
Council Tax	12/11/18	6/2/19	✓			✓	1	3	4	Final
Business Rates	12/11/18	6/2/19	✓			✓	3	4	2	Final
Mayor's Fund										Audit deferred
Registrars										Deferred to 2019/20

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Home to School Transport Follow Up (P1 recommendation 2017/18)	3/7/18	27/7/18	✓	No opinion as memo issued but 1 priority 1 recommendations raised			1			Final
Minor Capital Works	27/11/18	18/2/19	X		✓			1	1	Final
Construction and Maintenance	27/11/18	6/2/19	X		✓			2		Final
Reactive highways maintenance	2/10/18	22/10/18	✓		✓			1		Final
Continental-contract landscape and street cleansing	4/6/18	27/6/18	✓		✓			2	1	Final
Car Parks										Audit cancelled
Brown bins- management by contractor										Audit cancelled
Leisure Contract Management	8/10/18	28/11/18	✓		✓			4		Final
Libraries including use of volunteers										Audit deferred to 2019/20
DELIVERY COUNTER FRAUD Cash Spot Checks										Audit cancelled
DELIVERY IT AUDIT Disaster Recovery Follow Up (P1	3/10/18	5/11/18	✓		✓			1		Final

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
recommendation 2017/18)										
Cyber security/VOIP Follow Up (Ltd 2017/18)	1/10/18	20/11/18	✓			✓	3	7	1	Final
Enterprise Agreement programme management	11/9/18	12/12/18	✓			✓	1	1		Final
IT Asset Management	12/9/18	7/12/18	✓			✓	4	4	2	Final
IT Helpdesk	29/1/19	18/1/19	✓		✓			3	2	Final
Library self service and stock purchasing systems IT audit	18/2/19	5/4/19	X		✓			5	2	Final
PLACE, PLANNING AND REGENERATION Concessionary Fares	30/7/18	26/9/18	X		✓			7	2	Final
CIL/S106	18/9/18	23/1/19	X			✓	1	5	5	Final
Highways Capital Spend	14/5/18	18/6/18	✓		✓			2		Final
Highways Adoptions	4/3/19	25/4/19	X		✓			7		Final
Development Controls	25/3/19	23/4/19	✓		✓			5	1	Final
Land charges	12/11/18	31/1/19	X		✓			3	3	Final

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
PEOPLE Adult Residential Care contracts	12/9/18	5/11/18	✓			✓	3	7		Final
Direct payments	20/11/18	24/1/19	X			✓	4	5		Final
Domiciliary Care	5/3/19	8/4/19	**X**			✓	2	6		Final
Financial Assessments	17/9/18	8/10/18	✓		✓			8	2	Final
Forestcare Follow Up (Ltd 2017/18)	17/7/18	27/7/18	✓	No opinion as memo issued but 2 priority 1 recommendations raised			2	4	1	Final
Housing Benefit and Council Tax Reduction	11/2/19	13/3/19	✓		✓			5	2	Final
Housing Rents and Deposits including Downshire Homes	25/6/18	27/7/18	✓			✓	6	12		Final
Public Health	3/9/18	4/12/18	X			✓	1	2		Final
Allowances for Fostering, Adoption and Special Guardianships	19/2/19	9/4/19	X		✓			2	2	Final
Residential placements (Children's)										Deferred to 2019/20
Supervision including under the Family Safeguarding Model										Audit cancelled.
Margaret Wells-Furby House (Child	14/6/18	21/6/18	✓		✓			3		Final

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Development Centre)					✓					
SEN Resource Provision Follow up (Ltd 2017/18)	20/6/18	16/7/18	✓	No opinion as memo issued but 3 priority 1 recommendations raised			3	3		Final
The Rise	18/5/18	12/7/18	✓		✓			4		Final
PEP Follow up (Ltd 2017/18)	11/6/18	27/7/18	✓	No opinion as memo issued but 2 priority 1 recommendations raised			2	3		Final
Recruitment and retention incentives										Audit cancelled
PEOPLE IT AUDITS GIS system	24/7/18	13/9/18	X		✓			3	8	Final
My Benefits	13/7/18	23/8/18	✓		✓				1	Final
SCHOOLS School A (Ltd 2017/18)	18/10/18	8/11/18	✓			✓	3	5		Final
School B (Follow Up limited in 2016/17										Deferred to 2019/20
School C	23/5/18	18/6/18	✓		✓			10		Final
School D	6/11/18	4/12/18	✓		✓			12	1	Final
School E										Deferred to 2019/20
School F	21/1/19	15/2/19	✓		✓		1	3		Final
School G (Follow up -Ltd 2017/18)	13/2/19	01/04/19	✓	No opinion as follow up audit with memo issued but 1 priority 1 recommendation raised			1	1		Final
School H (Follow up	12/3/19	23/4/19	✓	No opinion as follow up audit with memo				7		Final

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Ltd 2017/18)				issued						

FOLLOW UP OF RECOMMENDATIONS

2018/19

AUDIT	Recommendations			Outcome
	1	**2**	**3**	
COUNCIL WIDE				
Mileage	0	7	1	In progress
Grants and payments to the voluntary sector	0	3	0	One implemented and 2 in progress as part of a transformation project
Data Quality	0	3	5	0ne priority 3 rec is no longer applicable three priority 3 recs are in progress as new software coming in, one priority three and three priority 2 recs are implemented
New Commercial Properties	0	11	3	All recommendations are still in progress.
Town Centre Maintenance planning	0	8	2	All completed or ongoing.
Tree Services	0	13	0	Seven implemented and six still in progress
Building Control	0	9	2	Six priority two recommendations implemented Three priority two and two priority three recommendations are in progress .
ADULT SOCIAL CARE, HEALTH AND HOUSING Emergency Duty Service	0	5	2	Implemented
IT Audits Controcc	**0**	2	2	One priority 2 and one priority 3 rec implemented. One priority three ongoing and no response provided on one priority 2 recommendation.
LAS	0	4	0	All completed
CHILDREN,	0	4	0	Three implemented

AUDIT	Recommendations			Outcome
	1	2	3	
YOUNG PEOPLE AND LEARNING Family Centre				and one in progress
Education Centre	0	3	3	All implemented except for one priority 2 recommendation which is deferred until relocation
Open learning Centre	0	5	7	Five priority 2 and four priority three recs are implemented. One priority three rec is postponed pending relocations. Two priority three recs in progress.
Pupil referral services exc PRU	0	1	1	The priority 3 rec has been implemented. Information not provided on the other recommendation.
Themed school audit- Pupil Premium	0	6	1	All implemented
Garth Hill	0	8	0	Overall seven are completed and one is still in progress around bursaries
TOTAL	0	92	29	

2018/19

AUDIT	Recommendations Priority			Outcome
	1	2	3	
Cleaning Contract	0	6	0	Implemented through issuing news letter
Reactive highways maintenance	0	1	0	Implemented
Continental-contract landscape and street cleansing	0	2	1	Implemented
Highways Capital Spend	0	2	0	Implemented
Margaret Wells-Furby House (Child Development Centre)	0	3	0	Implemented
TOTAL	0	14	1	