

Notice of Meeting

Governance & Audit Committee

Councillor Allen (Chairman),
Councillor Wade (Vice-Chairman),
Councillors Gbadebo, Mrs Hayes MBE, Heydon, Leake, Neil and
Tullett
David St John Jones, Independent Member

Wednesday 18 September 2019, 7.30 - 9.30 pm
Council Chamber - Time Square, Market Street, Bracknell, RG12
1JD



Agenda

| Item | Description | Page |
|------|---|--------|
| 1. | Apologies for Absence | |
| | To receive apologies for absence and to note the attendance of any substitute members. | |
| 2. | Declarations of Interest | |
| | <p>Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.</p> <p>Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.</p> <p>Any Member with an affected Interest in a matter must disclose the interest to the meeting. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the meeting.</p> | |
| 3. | Minutes of previous meeting | 3 - 8 |
| | To approve as a correct record the minutes of the meetings of the Committee held on 24 July 2019. | |
| 4. | Urgent Items of Business | |
| | Any other items which, pursuant to Section 100B(4)(b) of the Local Government Act 1972, the Chairman decides are urgent. | |
| 5. | Strategic Risk Update | 9 - 20 |
| | To receive an update on both the business continuity and cyber security items included in the Council's Strategic Risk Register. | |

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| | | |
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| | Reporting: Sally Hendrick | |
|--|----------------------------------|--|

Exclusion of the Press and Public

Agenda items 6 is supported by annexes containing exempt information as defined in Schedule 12A of the Local Government Act 1972. If the Committee wishes to discuss the content of these annexes in detail, it may choose to move the following resolution:

That pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2012 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 5/6 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) *Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

| | | |
|----|---|---------|
| 6. | Internal Audit Interim Report | 21 - 46 |
| | To receive a summary of Internal Audit activity during the period April to August 2019. Reporting: Sally Hendrick | |

Sound recording, photographing, filming and use of social media is permitted. Please contact Hannah Stevenson, 01344 352308, Hannah.stevenson@bracknell-forest.gov.uk, so that any special arrangements can be made.

Published: 9 September 2019

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GOVERNANCE & AUDIT COMMITTEE
24 JULY 2019
7.30 AM - 9.05 PM

Present:

Councillors Allen (Chairman), Gbadebo, Heydon, Leake, Mrs McKenzie-Boyle, Neil and Tullett
David St John Jones, Independent Member

Apologies for absence were received from:

Councillors Wade and Mrs Hayes MBE

11. Declarations of Interest

There were no declarations of interest.

12. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the committee held on 26 June 2019 be approved as a correct record and signed by the Chairman.

13. Urgent Items of Business

There were no urgent items of business.

14. External Audit - Audit Results Report

Andrew Brittain from Ernst & Young LLP, attended the Committee and presented the Report of the External Audit Results.

The Committee was advised that, based on a materiality measure of gross expenditure on provision of services, the overall materiality assessment remained unchanged at £5.6m with performance materiality, at 75% of overall materiality, remaining at £4.2m. The basis of the assessment remained consistent with prior years at 2% of gross expenditure on provision of services.

The audit of the Council's financial statements for the year ended 31 March 2019 had been substantially completed. The Committee was provided with the following updates on the matter which had been outstanding when the agenda had been published:

- **Pensions - procedures relating to the adjustment and disclosure of the McCloud judgment;** *Now complete*
- **Assurance letter from Berkshire Pension Scheme auditors;** *Deloitte were the overall auditor for the scheme and had communicated that they were unlikely to be able to provide their assurance letter by the publication deadline of 31 July 2019. Without this assurance, the external auditor would therefore not be in a position to issue an unqualified opinion on the Authority's financial statement*
- **Related parties: outstanding declaration of interest from 6 members;** *Only 1 declaration currently remained outstanding*
- **Some income and expenditure testing;** *Now complete*

- **Journals testing;** *Now complete*
- **Review of the final version of the financial statements;** *Will take place at point of signing*
- **Completion of subsequent events review;** *Will take place at point of signing*
- **Receipt of the signed management representation letter;** *Will take place at point of signing*
- **Completion of procedures required by the National Audit Office (NAO) regarding the Whole of Government Accounts submission;** *Will take place at point of signing*

There were three adjusted audit differences of:

- PPE value increase of £14.5m
- Pension liability increase of £4.4m to £539.3m
- Pension assets value decrease of £3.5m to £262m

There was one unadjusted judgemental audit difference of £1.1m which did not materially affect the accounts.

The Authority's arrangements to take informed decisions, deploy resources in a sustainable manner and work with partners and other third parties had been considered and the Audit Planning Report identified two significant risks:

- Delivery of a sustainable medium-term financial plan
- Commercialisation and the purchase of investment properties

Misstatements due to fraud or error were a significant risk area. However, following testing, no material weaknesses in controls or evidence of material management override were identified. Similarly, testing had revealed no material issues or unusual transactions to indicate any misreporting of the Authority's financial position through the inappropriate capitalisation of revenue expenditure.

With regard to the Pension Net Liability Valuation, the external auditors were satisfied that the Council had correctly reflected the IAS 19 entries provided by their actuaries in the financial statements and also satisfied that the actuaries were appropriately qualified. Taking into account the McCloud ruling, two adjustments had been made:

1. Pension liability: The Council's pension liability had increased by £4.4m to £539.3m.
2. Pension asset: This estimate decreased by £3.5m to £262m.

With regard to the valuation of property, including investment properties, the external auditor assessed the methodologies adopted by the valuers in undertaking their valuations in 2018/19 and of the key assumptions input into these valuations as reasonable. As part of the audit, the Council provided an analysis of the rolling programme of valuations and applied relevant indices, dependent on the last revaluation date for the asset class. This provided an indication as to whether the valuation of assets not revalued in year could be materially different to the value disclosed in the financial statements. The external auditor reviewed this analysis and challenged the Council on its appropriateness and concluded that changes needed to be made to ensure the relevant indices were applied based on the asset type and value. As a result of subsequent calculations there was a judgemental audit difference of £15.6m. The Council agreed to:

- Make an adjustment of £14.5m; and

- Report the unadjusted remaining difference of £1.1m in their management representation letter.

Members were directed to the fee analysis for the external auditor's work including a fee for non-audit work undertaken outside of the NAO Code requirements in relation to the housing subsidy grant claim. The Council had appointed Ernst & Young to act as reporting accountants in relation to the housing subsidy claim. The final fee would be dependent on the level of extended testing required for the 2018/19 claim.

Additional work had been undertaken in relation to the two Value for Money significant risks, which meant the external auditor was not yet in a position to quantify the final costs associated with this work but any variation to the fee would need to be agreed with officers and approved by PSAA.

In response to comments and questions from Members, a number of other points were made and noted.

Regulations required that the Council's financial statements were published no later than 31 July 2019. As the assurance letter from the Berkshire Pension Scheme auditors, Deloitte, was not expected to be received by the deadline, the published accounts would have to be marked as 'unaudited'. It was noted that for the previous year, the 2017/18 Berkshire Pension Scheme auditor's assurance letter had also been delayed due to a perceived discrepancy with the calculations, but when the assurance had come through there was no materiality. Deloitte was auditing the Berkshire Pension Scheme for the first time and it was believed they had questions on the valuation of certain assets and liabilities and they were also auditing overall on behalf of all the other pension auditors in Berkshire. Members were advised that the mix of the assets had not changed since last year. The Chairman was to establish who the Bracknell representative was for the Berkshire Pension Scheme.

With regard to outstanding declarations of interest, Members were advised that the Finance department were charged with providing them. In previous years, verbal updates had been allowed but that was not the case anymore and the change in procedure could have caused the delay this year. It was clarified for Members that a declaration of interest identified a potential conflict of interest and then it was determined whether there were any related party transactions.

Councillor Leake was concerned that a conflict of interest existed with regard to Downshire Homes. Members were advised that Downshire Homes was a wholly owned subsidiary of the Council with Directors made up of Officers and Members and as such there was no conflict of interest. It was noted that the shares were owned by the Council and the Board of Directors voted the shares. It was this aspect Councillor Leake was not satisfied that no conflict of interest existed and it was agreed for the matter to be revisited outside of the meeting.

Various factors had led to the identification of the Value for Money risks which included changes in structure or the way things were done and/or when things were done differently, for example, the delivery of a sustainable medium-term financial plan was a general one across the board.

Consideration was being given to the process by which acquisitions were made and what arrangements were in place to avoid the inherent risks in investing in commercial properties. With regard to commercialisation and purchase of investment properties, it was noted that progress against the Investment Strategy was reported to senior management and the Executive Committee: Commercial Property.

Discussions between the Chief Property Officer, Director: Finance and Chief Executive were documented either via email or through verbal correspondence. This indicated an absence of formal reporting and transparency, which lacked best practice arrangements. The external auditor made the comment that formal reporting and transparency arrangements should be in place but did not necessarily recommend it as that would be for Members to decide.

The Committee discussed whether schools that were not run by the Council should be listed on the asset register. Members were advised that schools not deemed to be owned by the Council were not on the balance sheet.

The Committee was advised that the draft Audit Report was already on the Council's website but that a key point summary for the public would not be produced.

Andrew Brittain thanked Arthur Parker and his team for their help and cooperation in the production of the Audit Results Report.

15. **Financial Statements 2018/19**

The Chief Accountant presented a summary of the Financial Statements Report for 2018/19.

The Council had set a revenue budget for the 2018/19 financial year of £83.655m. The actual outturn for the General Fund was within budget with an under spend of £2.528m. As a result of the under spend the Council was able to return £0.013m to General Reserves rather than withdrawing the £2.515m included in the Budget.

The Committee noted that the most significant variances included:

- An over spend within the Adult Community Team on residential costs and community services (£0.374m) partly offset by underspends within the team relating to staff vacancies (-£0.184m).
- An over spend on directorate wide budgets within People due to delays in completing the Senior Leadership Restructure and additional transformation costs (£0.414m).
- Within Central, underspends on Concessionary Fares (-£0.288m) and audit fees (-£0.095m) and additional income (-£0.431m), in particular from CIL and streets works.
- A significant underspend on interest budgets (-£3.369m), due to the Council taking advantage of short-term interest rates, additional interest income and higher cash balances reducing the need to borrow.
- Higher than forecast capital receipts in 2016/17 and significant capital carry forwards into 2017/18 helped to create an underspend against the Minimum Revenue Provision (-£0.415m).
- A VAT refund relating to the overpayment of VAT on leisure income between 2010 and 2018 (-£2.299m).

The General Reserves balance at 31 March 2019 was £9.1m. Of this, £2.6m would be used to finance the 2019/20 budget, leaving £6.5m available (of which £4m was determined as the minimum prudent level).

The Comprehensive Income and Expenditure Statement showed a deficit on the Provision of Services of £39.4m but Members were advised this did not impact on reserves.

On Earmarked Reserves, the largest movement in the year related to the Future Funding Reserve (an £11.2m increase to £19.8m) which primarily related to gains from the Council being part of the Berkshire-wide Business Rates pilot.

The Council had had to fund part of the 2018/19 capital programme from internal and external borrowing and this represented 63% of the overall funding of the 2018/19 capital programme budget. Members were advised that whilst the Council held reserves, borrowing was based on a cash flow analysis and some of the borrowing was from cash balances which reduced the need for external borrowing.

However, having considered the report, the Committee was advised that there had been a delay in receipt of the assurance letter from the Berkshire Pension Scheme auditors, Deloitte. In the circumstances, the Committee:

RESOLVED that

- 1 The recommendation that the Committee authorise the Chairman of the meeting to sign and date the Statement of Accounts on behalf of the Committee be not agreed due to the delay of the production of the Assurance letter from the Berkshire Pension Scheme auditors, Deloitte.
- 2 The recommendation that the Committee authorise the Chairman of the meeting to sign and date the Letter of Representation set out in Annexe B be not agreed due to the delay of the production of the Assurance letter from the Berkshire Pension Scheme auditors, Deloitte, but he be authorised to sign it once the external auditors had received adequate assurance on the Berkshire Pension Fund accounts.

CHAIRMAN

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TO: GOVERNANCE AND AUDIT COMMITTEE
18TH SEPTEMBER 2019

STRATEGIC RISK UPDATE

Head of Audit and Risk Management

1 PURPOSE OF REPORT

- 1.1 This report introduces two specific risks included on the Strategic Risk Register which the Governance and Audit Committee has highlighted for a detailed review with the identified risk owner, the Executive Director: Delivery.

2 EXECUTIVE SUMMARY

- 2.1 On 26th June the Governance and Audit Committee requested that the risk owner, the Executive Director: Delivery attend its September 2019 meeting to present an update on both the business continuity and cyber security items included in the Council's Strategic Risk Register.

3 RECOMMENDATIONS

- 3.1 **To receive a presentation by the Executive Director: Delivery on the two items from the Strategic Risk Register attached at Appendix 1.**

4 REASONS FOR RECOMMENDATION

- 4.1 To ensure the Strategic Risk Register accurately reflects the Council's risks and that individual risks are being pro-actively managed.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 There are no alternatives.

6 SUPPORTING INFORMATION

Update of Strategic Risk Register

- 6.1 The Register was last reviewed by the Governance and Audit Committee on 26th June 2019, by Strategic Risk Management Group on 7th August and by CMT on 14th August 2019. In order to help it be assured that individual risks identified are being appropriately managed, the Governance and Audit Committee requested an update on two specific items included in the risk register from the risk owner, the Executive Director; Delivery.
- 6.2 In order to assist the Committee understand the approach taken to identify and score risks, an extract from the Risk Management Toolkit on scoring methodology is attached at Appendix 3.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 There are no specific legal implications arising from the recommendations in this Report.

Borough Treasurer

- 7.2 There are no financial implications arising from this report.

Equalities Impact Assessment

- 7.3 Not applicable.

Strategic Risk Management Issues

- 7.4 A robust Strategic Risk Register that is a complete and up to date record of the significant corporate risks is essential for effective risk management, enabling the Council to prioritise resources to identify and implement actions to address the threats to the achievement of the Council's objectives and make informed decisions

8 CONSULTATION

Principal Groups Consulted

- 8.1 SRMG and CMT.

Method of Consultation

- 8.2 At the SRMG and CMT meetings on 7th August and 14th August 2019 respectively.

Representations Received

- 8.3 Not applicable.

Sally Hendrick

Head of Audit and Risk Management

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Strategic Theme 1: Value for money
 Strategic Theme 2: A Strong and Resilient Economy
 Strategic Theme 3: People have the life skills and education opportunities they need to thrive
 Strategic Theme 4: People live active and healthy lifestyles
 Strategic Theme 5: A clean, green growing and sustainable place
 Strategic Theme 6: Strong, safe, supportive and self-reliant communities

Risk 10: IT controls or staff vulnerabilities fail to prevent a cyber attack and/or unable to respond effectively to an attack to enable IT services to be sustained.

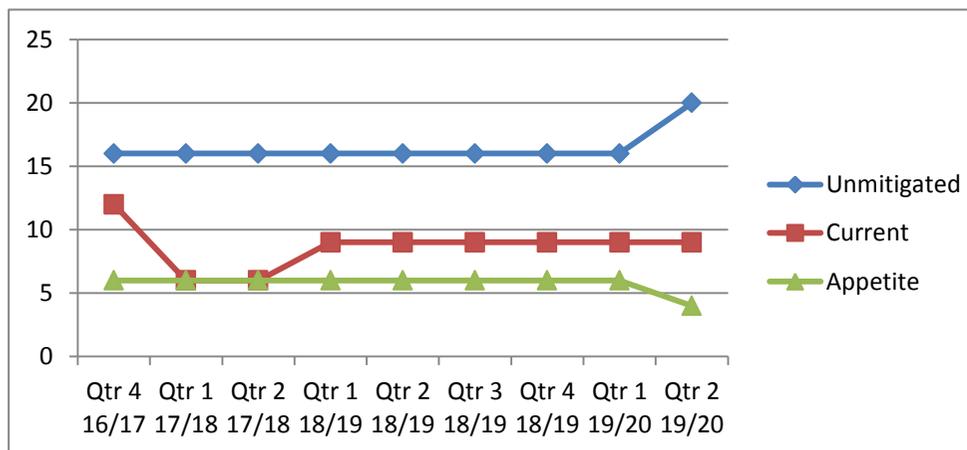
Risk Owners:
 Executive Director
 Delivery

Risk Rating (Likelihood x Impact)

Unmitigated 4 x 5
 Current Residual 3 x 3
 Appetite 2 x 2

Potential Impact

- Disruption to services.
- Failure to meet statutory duties.
- Reputational damage.
- Financial loss



Rationale for current score:

Likelihood of staff being targeted remains a significant risk. However, the impact of an attack is mitigated by Disaster Recovery and Business Continuity arrangements.

Rationale for risk appetite

Appetite is low due to dependency on IT for delivery of all services

Current RAG rating Amber

Current Actions (What we are currently doing about the risk)

- Cyber Security policies all re-written and published on the intranet
- Microsoft SCP ATP II Licensing acquired for advanced security on Office 365- Outlook, Office, Sharepoint and Teams as well as security and compliance on all Council data.
- Windows Defender ATP deployed for the best in class anti-virus protection for all laptops.
- MS Intune deployed for protection of smartphones

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

| | Officer responsible | Target date |
|---|---|-------------|
| Currently planning an awareness raising and training campaign around cyber security and risks | Assistant Director: Customer Experience | 30/4/20 |

| | | | |
|--|--|--|---------|
| <ul style="list-style-type: none"> • PSN compliant • Members of government early warning groups such as NCSC (National Cyber-Security Council) and WARP (Warning, Advice and Reporting Point) • Mandatory Information security and GDPR training before access is given to systems • Disaster Recovery Plan and Action Plan for the systematic recovery of systems. • Disaster Recovery contract with a provider to get systems up and running and an Action Plan for the systematic recovery of systems • Cyber risks monitored through Delivery risk register | Migrating the Proxy servers to MS Azure. Azure is far more secure as we will be sitting behind Microsoft security. | Assistant Director: Customer Experience | 31/3/20 |
| | Deploying MS Azure B2B to enable secure collaborative working with partner organisations. | Assistant Director: Customer Experience | 30/9/20 |
| | Cyber Essentials Certification in progress | Assistant Director: Customer Experience | 31/3/20 |
| | Implementing MS Sentinel Implementation for Cyberattack management. | Assistant Director: Customer Experience | 31/3/20 |

Strategic Theme 1: Value for money
 Strategic Theme 2: A Strong and Resilient Economy
 Strategic Theme 3: People have the life skills and education opportunities they need to thrive
 Strategic Theme 4: People live active and healthy lifestyles
 Strategic Theme 5: A clean, green growing and sustainable place
 Strategic Theme 6: Strong, safe, supportive and self-reliant communities

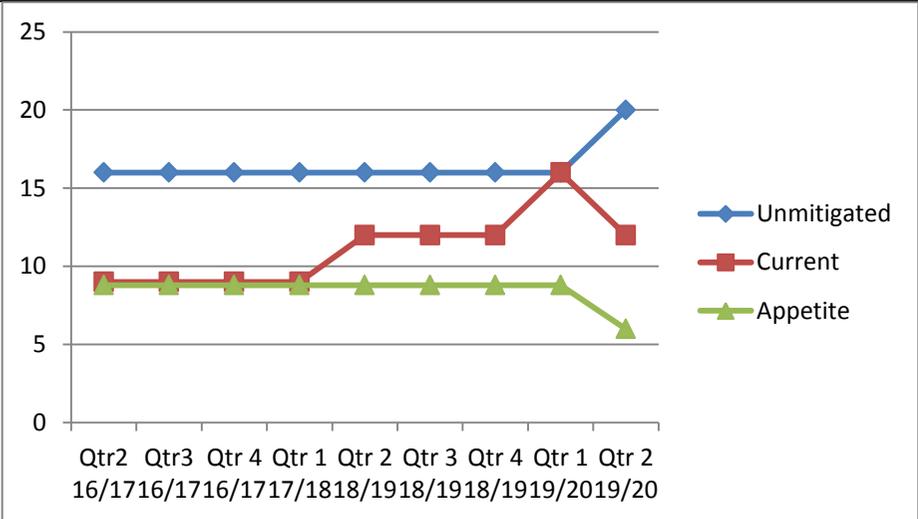
Risk 12: The Council's Business Continuity Management (BCM) fails to effectively deal with potential threats and risks.

Risk Owners: Executive Director: Delivery

Risk Rating (Likelihood x Impact)
 Unmitigated 4 x 5
 Current Residual 3 x 4
 Risk Appetite 2 x 3

Potential Impact

- Lack of ability to respond in a coordinated manner during a Business Continuity event, particularly when affecting the whole Council over prolonged periods.#
- Enforcement action under the Civil Contingencies Act 2004.
- Reputational damage.



Rationale for current score:
 Following an external business continuity review, the Council's Business Continuity status was considered to be RED based on the outcome of the Audit where the Council was High Risk, having regard to the Business Continuity Institute Audit scoring

The risk remains significant because the improvement programme put in place is not completed. However, as a result of the existing plans in place, albeit they are not robust, it is considered that the risk to the Council is currently an AMBER rating. This is based on the fact plans are in place but not robust and there are current specific risks to the Council causing potential risks to the Council including the implications around Brexit, some weaknesses identified in known critical services including the Out of Hours contact centre and the robustness of the ICT recovery process following recent incidents and a gap in staff training.

Rationale for risk appetite
 The Council has agreed that as a minimum the level of improvement should take the Council to Low risk if not best practice.

Current RAG rating Amber

Current Actions *(What we are currently doing about the risk)*

- Following the external review an action plan is now in place to ensure all service and corporate business continuity plans covering essential and critical functions are in place and robust by 31 March 2020
- Service Business Continuity Liaison Officers and Emergency Planning Liaison Officers have been identified to work with the Emergency Planning Unit
- Business Impact Analysis Workshops and Drop in Sessions have been arranged
- Recovery Workshops have been arranged.
- Enhanced Brexit monitoring arrangements have been put in place and action plans are being developed

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

| | Officer responsible | Target date |
|---|-----------------------------------|--------------------|
| Workshop scheduled for business impact analysis and drop in sessions arranged | Emergency Planning | 31/10/19 |
| Recovery workshop arranged to support services develop service recovery plans | Emergency Planning | 30/11/19 |
| Developing strategic governance document for business continuity | Emergency Planning | 30/11/19 |
| All Service & Corporate Plans to be in place | All Services & Emergency Planning | 31/9/20 |
| Formal Annual Reviews put in place | Emergency Planning | 20/21 |
| Service and/ or Corporate Exercises to be undertaken | Emergency Planning | 20/21 |

RISK MATRIX

LIKELIHOOD

| | | | | | |
|---|---|---|---|---|---|
| 5 | | | | | |
| 4 | | | | | |
| 3 | | | | | |
| 2 | | | | | |
| 1 | | | | | |
| | 1 | 2 | 3 | 4 | 5 |

IMPACT

Likelihood:

5 Very High

4 High

3 Significant

2 Low

1 Almost Impossible

Impact:

5 Catastrophic

4 Critical

3 Major

2 Marginal

1 Negligible

EXTRACTS FROM THE RISK MANAGEMENT TOOLKIT

CRITERIA FOR ASSESSING LIKELIHOOD

| PROBABLILTY | SCORE | DEFINITION |
|-------------------|-------|--|
| Almost impossible | 1 | Rare (0-5%).The risk will material only in exceptional circumstances. |
| Low | 2 | Unlikely (5-25%). This risk will probably not materialise. |
| Significant | 3 | Possible (25-75%). This risk might materialise at some time |
| High | 4 | Likely (75-95%). This risk will probably materialise at least once. |
| Very High | 5 | Almost certain (>95%). This risk will materialise in most circumstances. |

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CRITERIA FOR ASSESSING IMPACT

| | Negligible | Minor | Major | Critical | Catastrophic |
|--|--|--|---|--|--|
| Score | 1 | 2 | 3 | 4 | 5 |
| Disruption to established routines/operational delivery | No interruption to service. Minor industrial disruption. | Some disruption manageable by altered operational routine. | Disruption to a number of operational areas within a location and possible flow to other locations. | All operational areas of a location compromised. Other locations may be affected. | Total system dysfunctions. Total shutdown of operations |

| | Negligible | Minor | Major | Critical | Catastrophic |
|---|---|---|--|---|--|
| Score | 1 | 2 | 3 | 4 | 5 |
| Damage to reputation | Minor adverse publicity in local media. | Significant adverse publicity in local media. | Significant adverse publicity in national media. | Significant adverse publicity in national media. Senior management and/or elected Member dissatisfaction. | Senior management and/or elected Member resignation/removal. |
| Political | Could have a major impact one departmental objective but no impact on a Council Medium Term Objective | Could have a major impact one or more departmental objective but no impact on a Council Medium Term Objective | Could have a major impact on a Departments objective with some impact on a Council Medium Term Objective | Council severely impact the delivery of a Council Medium Term Objective | Council would not be able to meet multiple Medium Term Objectives. |
| Security | Non notifiable or reportable incident. | Localised incident. No effect on operations. | Localised incident. Significant effect on operations. | Significant incident involving multiple locations. | Extreme incident seriously affecting continuity of operations. |
| Financial (Council as a whole/ single dept.) | <1% of monthly budget | >2% of monthly budget | <5% of monthly budget | <10% of monthly budget | <15% of monthly budget |

| | Negligible | Minor | Major | Critical | Catastrophic |
|---|--|--|---|--|---|
| Score | 1 | 2 | 3 | 4 | 5 |
| General environmental and social impacts | No lasting detrimental effect on the environment i.e. noise, fumes, odour, dust emissions, etc. of short term duration | Short term detrimental effect on the environment or social impact i.e. significant discharge of pollutants in local neighbourhood. | Serious local discharge of pollutants or source of community annoyance in general neighbourhood that will require remedial attention. | Long term environmental or social impact e.g. chronic and significant discharge of pollutants. | Extensive detrimental long term impacts on the environment and community e.g. catastrophic and/or extensive discharge of persistent hazardous pollutants. |
| Corporate management | Localised staff and management dissatisfaction. | Broader staff and management dissatisfaction. | Senior management and /or elected Member dissatisfaction. Likelihood of legal action. | Senior management and/or elected Member dissatisfaction. Legal action. | Senior management and/or elected Member resignation/removal. |
| Operational management | Staff and line management dissatisfaction with part of a local service area. | Dissatisfaction disrupts service. | Significant disruption to services. | | Resignation/removal of local management. |
| Workplace health and safety | Incident which does not result in lost time. | Injury not resulting in lost time. | Injury resulting in lost time. Compensable injury. | Serious injury /stress resulting in hospitalisation. | Fatality (not natural causes) |
| Legal | Minor breach resulting in small fines and minor disruption for a | Regulatory breach resulting in small fines and short term disruption for a short | Major regulatory breach resulting in major fines and short term disruption for a | Severe regulatory breach resulting in severe fines and disruption for an | Very severe regulatory impact that threatens the strategic objectives |

| | Negligible | Minor | Major | Critical | Catastrophic |
|--------------|-------------------|--------------|--------------|-----------------|---------------------|
| Score | 1 | 2 | 3 | 4 | 5 |
| | short period | period | short period | extended period | of the Council |

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GOVERNANCE AND AUDIT COMMITTEE 18TH SEPTEMBER 2019

INTERNAL AUDIT INTERIM REPORT 1ST April 2019 – 31ST August 2019

(Head of Audit and Risk Management)

1 PURPOSE OF REPORT

- 1.1 This report provides a summary of Internal Audit activity during the period April to August 2019.

2 EXECUTIVE SUMMARY

- 2.1 The report summarises progress and outcome of work carried out by both internal audit contractors and the in-house team in accordance with the Annual Internal Audit Plan approved by the Governance and Audit Committee. Any significant developments since the time of writing will be reported verbally to the Committee and included in future assurance reports

3 RECOMMENDATION

- 3.1 **The Governance and Audit Committee are asked to note the attached report.**
- 3.2 **The Governance and Audit Committee note the new assurance and recommendation priority definitions introduced which will be incorporated into the Internal Audit Charter for Governance and Audit Committee approval once their operational effectiveness is fully tested and confirmed.**

4 REASONS FOR RECOMMENDATION

- 4.1 To ensure that the Governance and Audit Committee are aware of the internal audit work performed and conclusions reached.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 No alternative options available.

6 SUPPORTING INFORMATION

- 6.1 Under the Council's Constitution and Scheme of Delegation the Director: Finance is responsible for the administration of the financial affairs of the Council under Section 151 of the Local Government Act 1972. Professional guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) requires the provision of an effective Internal Audit function to partly fulfil his responsibilities under Section 151. Internal Audit are required to comply with the Public Sector Internal Audit Standards which set out the ethical and operational standards for internal audit.
- 6.2 The provision of Internal Audit services is largely outsourced to Mazars Public Sector Internal Audit. Mazars are responsible for delivering approximately two thirds of the audits set out in the Annual Internal Audit Plan approved by the

Governance and Audit Committee in March 2019. IT audits are undertaken by TIAA Limited. The remaining audits are delivered by Wokingham internal audit team under an agreement under Section 113 of the Local Government Act 1972 which provides for the sharing of staff resources or are undertaken in house. Reading Borough Council provide Counter Fraud support and training under this same agreement. The attached report summarises delivery to date on the audits approved under the Plan and other assurance activities carried out in-house within Audit and Risk Management.

- 6.3 In addition, as raised in the Head of Internal Audit's Annual Report for 2018/19, the assurance opinion definitions and recommendation priorities have been redefined to provide a clearer insight into the degree of severity of opinions and recommendations. The key changes are splitting the "Limited" opinion into inadequate and partial and priority 1 recommendations into critical and major. Additionally, the "Significant" audit assurance opinion which was used rarely due to the narrow way it was defined has been replaced with a "Good" opinion. This can be given even if recommendations have been raised, if these are only low priority.
- 6.4 During the year to date 13 audits have been fully completed. Three reports have been finalised with a "partial" assurance opinion and one follow up memo has been finalised with no opinion but a major recommendation. One report has been finalised with an "inadequate" opinion. This report was requested specifically by the Executive Director: Delivery to assess the robustness of the Council's response to the new General Data Protection Regulations (GDPR). As was expected, the audit identified a number of areas where improvements were required and has enabled a clear action plan to be developed and implemented. Subsequent to the audit being completed, Audit have been advised that the Council has secured confirmation that its approach to data protection will satisfy the requirements of the NHS Toolkit. Details of the findings of the other audits are included in the Head of Internal Audit's interim report.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 There are no significant legal implications arising from this report.

Director: Finance

- 7.2 There are no financial implications arising from this report. The work of internal audit is key to providing assurance about the effectiveness of the Council's internal control environment.

Equalities Impact Assessment

- 7.3 Not applicable.

Strategic Risk Management Issues

- 7.4 Internal Audit provides assurance on the Council's control environment based on the work undertaken and areas audited. 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. No system of control can

provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance

Other Officers

7.5 Not applicable.

8 CONSULTATION

8.1 Not applicable.

Background Papers

Annual Internal Plan 2019/20
Strategic Risk Register

Contact for further information

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**BRACKNELL FOREST COUNCIL
HEAD OF AUDIT AND RISK
MANAGEMENT'S INTERIM REPORT**

September 2019

1.BACKGROUND

- 1.1 The Council is required under the Accounts and Audit (Amendment) (England) Regulations to “maintain an adequate and effective system of internal audit of its accounting records and of its systems of internal control in accordance with the proper practices in relation to internal control.” This report summarises the activities of Internal Audit for the period April to August 2019 drawing together progress on the Annual Internal Audit Plan, risk management and other activities carried out by Internal Audit.

2. INTERNAL AUDIT

- 2.1 The basic approach adopted by Internal Audit falls broadly into four types of audit:
- System reviews provide assurance that the system of control in all activities undertaken by the Council is appropriate and adequately protects the Council’s interests.
 - Regularity (financial) checking helps ensure that the accounts maintained by the Council accurately reflect the business transacted during the year. It also contributes directly towards the external auditor’s audit of the annual accounts.
 - Computer/IT audits, carried out by specialist audit staff, provide assurance that an adequate level of control exists over the provision and use of computing facilities
 - Certification as required by relevant Government departments that grant monies have been spent in accordance with grant terms and conditions.
- 2.2 Recommendations are made after individual audits, leading to an overall assurance opinion for the system or establishment under review and building into an overall annual assurance opinion on the Council’s operations called the Head of Internal Audit Annual Opinion. The different categories of recommendation and assurance opinions are set out in the following tables.
- 2.3 Since 1st April 2019 we have been categorising our **audit opinions** according to our assessment of the controls in place and the level of compliance with these controls as follows::

| | |
|--|--|
| | Good - There is a sound system of internal control designed to achieve the objectives of the system/process and manage the risks to the achievement of objectives and this is being complied with. Recommendations will only be of low priority. |
| | Adequate - there is basically a sound system of control but there are some areas of minor weakness and/or some areas of non- compliance which put the system/process objectives at risk. Recommendations will only be low or moderate in |

| | |
|--|--|
| | priority. |
| | Partial - there are areas of weakness and/or non-compliance with control which put the system/process objectives at risk and undermine the system's overall integrity. Recommendations may include major recommendations but could only include critical priority recommendations if mitigated by significant strengths elsewhere. |
| | Inadequate - controls are weak across a number of areas of the control environment and/or not complied with putting the system/process objectives at significant risk. Recommendations will include major and/or critical recommendations |
| | None - There is no control framework in place and management is inadequate leaving the system open to risk of significant error or fraud. |

2.4 We formerly categorised our **audit opinion** according to the following:::

| | |
|--|---|
| | Significant - 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 - 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 - 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. |

2.5 We now categorise our recommendations according to their level of priority as set out below:

| | |
|--|--|
| | Critical - Critical and urgent in that failure to address the risk could lead to factors such as significant financial loss, significant fraud, serious safeguarding breach, critical loss of service, critical information loss, failure of major projects, intense political or media scrutiny. Remedial action must be taken immediately. |
| | Major - failure to address issues identified by the audit could have significant impact such as high financial loss, safeguarding breach, significant disruption to services, major information loss, significant reputational damage or adverse scrutiny by external agencies. Remedial action to be taken urgently. |
| | Moderate - failure to address issues identified by the audit could lead to moderate risk factors materialising such as medium financial loss, fraud, short term disruption to non-core activities, scrutiny by internal committees, limited reputational damage from unfavourable media coverage. Prompt specific remedial should be taken. |
| | Low - failure to address issues identified by the audit could lead to low level risks materialising such as minor errors in system operations or processes, minor delays without impact on service or small financial loss. Remedial action is required. |

2.6 We previously categorised our **recommendations** according to their level of priority as per the following.

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

3. SUMMARY OF INTERNAL AUDIT RESULTS TO DATE

- 3.1 The Annual Internal Audit Plan for 2019/20 was considered and approved by the Governance and Audit Committee on 27th March 2019. This will be updated for the new assurance and recommendation definitions once the operational effectiveness of these has been confirmed. The delivery of the individual audits is largely undertaken by our contractors Mazars Public Sector Internal Audit. In addition, IT audit is undertaken by TIAA Ltd and 9 reviews will be carried out under the Section 113 arrangement with Wokingham Borough Council's Internal Audit Team. In addition, all grants are scheduled to be audited in house.
- 3.2 During the period April to August 2019, 2 grants were certified, 1 memo without an opinion was finalised, 7 reports were finalised, 5 reports had been issued in draft awaiting management responses, 1 draft report was being discussed and in 16 cases audit work was in progress.
- 3.3 Delivery against the planned programme is behind original schedule due to the number of audits which have been requested to be deferred to later in the year, in order to provide more time to address previously identified weaknesses. Whilst there are always deferrals in any audit year and there are generally sound reasons for these audits to be deferred and 2 audits have been brought forward to compensate for this, the percentage of audit deferrals is significantly higher than in previous years. The main audit contractors, Mazars have already raised concern about pressure on resources to deliver the Plan that is now end-loaded and in some areas there will be pressure on officers where multiple audits will be ongoing for the same broader service areas in the same quarter.
- 3.4 Details on the status and outcome of all audits are attached at Appendix A. Audits which have been deferred from the original timetabling are clearly noted in the status column where they are marked with "D". A summary of the outcome of finalised and audits with reports issued in draft are set out below.

| APRIL TO AUGUST 2019/2020 ASSURANCE LEVELS | NUMBER OF AUDITS | | 2018/19 ASSURANCE LEVELS | NUMBER OF AUDITS |
|---|------------------------|--|---|------------------------|
| Good | 0 | | Significant | 0 |
| Adequate | 7 | | Satisfactory | 30 |
| Partial | 3 | | Limited | 19 |
| Inadequate | 1 | | No Assurance | 0 |
| No assurance | 0 | | | |
| <u>Total for Audits with an Opinion</u> | 11 | | <u>Total for Audits with an Opinion</u> | 49 |

| | | | |
|---|----|--|----|
| Follow Up Memos with Major Recommendation and no Opinion | 1 | Follow Up Memos with Priority 1 Recommendation and no Opinion | 5 |
| Other Follow Up Memos/ Reports with no Opinion | 1 | Other Follow Up Memos/ Reports with no Opinion | 1 |
| Total Audits | 13 | Total Audits | 55 |
| Grant Certifications | 2 | Grant Certifications | 5 |

Major Control Issues

- 3.5 Audits which have identified major weaknesses will generally be revisited in 2020/21, to ensure successful implementation of agreed recommendations. No critical recommendations have been raised to date in 2019/20 however a number of major recommendations have been raised resulting in inadequate or partial audit opinions. Major weaknesses were identified at the following audits. Further detail is set out in Appendix C.

| AUDITS WHERE MAJOR ISSUES HAVE BEEN IDENTIFIED | |
|---|---|
| COUNCIL WIDE | |
| ● | GDPR |
| PEOPLE | |
| ● | Disabled Facilities Grants |
| DELIVERY | |
| ● | Home to School Transport. (Follow Up Memo. Also limited in 2016/17 and 2017/18 and 2018/19) |
| FINANCE | |
| ● | Agresso IT system |
| SCHOOL GOVERNING BODIES | |
| ● | School C |

Update of 2018/19 Audits with Limited Assurance Opinions and/or Priority 1 Recommendations

- 3.6 Since April 2019, one report has been issued on audits previously issued with a limited opinion. This is home to school transport. A Major recommendation has been raised at this audit as noted in Appendix C. Appendix B sets out the audit position on the remaining limited assurance reports brought forward.

Quality Assurance and Improvement Programme

- 3.7 As shown below, 100% of the client questionnaires indicated the auditees were satisfied with the service. In 72% of cases internal audit providers delivered the first draft report within 15 days of the exit meeting.

| | Client Questionnaires | | Draft Report /Memo Produced within 15 Days of Exit meeting |
|--|-----------------------|--------------|--|
| | Received | Satisfactory | |
| 1st April to 31st August 2019 | 5 | 100% | 72% |
| 2018/19 | 20% | 100% | 70% |

4. PROGRESS ON INTERNAL CONTROL ENVIRONMENT 2019/20

- 4.1 The weakening in controls reported during 2017/18 and 2018/19 has led to tighter monitoring and regular reports to CMT as audits are delivered to establish if there is improvement in the control environment.
- 4.2 The Head of Audit and Risk Management gave a presentation to the Corporate Management team on 14th August 2019 setting out the progress toward the opinion on the overall control environment for 2019/20 . This was based on audit work completed to date and the current level of re-scheduling of the audits and re-audits for 2019/20. It was noted that the late timetabling of re-audits of previous limited assurances means that there is uncertainty about progress towards addressing issues previously addressed. for 2019/20. In response to the presentation the following actions were agreed.
- DMTs should review what progress had been made in relation to each limited assurance and should provide these updates to the Head of Audit and Risk Management to demonstrate progress being made to show this was going in the right direction to address the issues identified at the audits.
 - DMTs should consider whether deferrals could be brought forward.

- CMT should review progress regularly and undertake deep-dive reviews of any issue on which progress was not being made, even if action had been taken.
- 4.3 While these actions provide reassurance that issues are being closely monitored, it is too early in the year to provide any reasonable prediction of the overall opinion for the year.

5. RISK MANAGEMENT

- 5.1 The Strategic Risk Register has already been reviewed twice by the Strategic Risk Management Group (SRMG), and the Corporate Management Team and once by the Governance and Audit Committee in 2019/20. Deep dives on individual risks are now to take place at the Governance and Audit Committee starting with the cyber and business continuity risks in September 2019.
- 5.2 Directorate risk registers are already in place and being reviewed quarterly for the Delivery and Central Directorates. Significant progress has been made to develop a People risk register drawing together the risks for the previous Children, Young People and Learning and Adult, Social Care, Health and Housing directorates.
- 5.3 In addition, the terms of reference for the Strategic Risk Management Group and the membership have been reviewed to avoid duplication with other working groups, in particular the Information Management Group.

6. FRAUD AND IRREGULARITY

National Fraud Initiative (NFI)

- 6.1 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 submitted in the autumn of 2018 was on:
- 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.

Benefits Investigations

- 6.2 An update on Benefit fraud investigations was provided to the Governance and Audit Committee in June 2019. Detailed reporting will next be provided in the Head of Audit and Risk Management's Annual report in January..

Counter Fraud Training

- 6.3 A further 2 counter fraud awareness sessions available to all Council staff were held in June. One more session is planned in September together with a session for bursars specifically targeted for schools. In addition, the third Counter Fraud newsletter was published in August.

Potential Irregularities

- 6.4 During quarter 1 and 2, a number of potential concerns have been raised which Reading Counter Fraud are assisting with. These all relate to external parties and to welfare services and social care. In addition, the in-house team reviewed an allegation around social care provision that was considered to be unfounded and an abuse of media procurement accounts by a care recipient which could not be proven.

2018/19 AUDITS

* Draft report produced within 15 working days of exit meeting to discuss audit findings
 "D" Audit deferred at service areas request

| AUDIT | Start Date | Date of Draft Report | *Key Indicator Met | Assurance Level | | | Recommendations Priority | | | Status |
|---|------------|----------------------|--------------------|------------------------------|--------------|---------|--------------------------|----|---|--------------|
| | | | | Significant | Satisfactory | Limited | 1 | 2 | 3 | |
| COUNCIL WIDE Governance Under the New Structure | 29/3/19 | 27/6/19 | X | N/A – Memo. No opinion given | | | | 10 | | Draft issued |

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2019/20 AUDITS

| AUDIT | Start Date | Date of Draft Report | *Key Indicator Met | Assurance Level | | | | Recommendations Priority | | | | Status |
|--|------------|----------------------|--------------------|-----------------|----------|---------|------------|--------------------------|-------|----------|-----|-----------------------|
| | | | | Good | Adequate | Partial | Inadequate | Critical | Major | Moderate | Low | |
| COUNCIL WIDE Officer Expenses (Ltd 2018/19) | 10/6/19 | 12/8/19 | ✓ | | | | | | | | | Draft being discussed |
| Debt Management Including the Accounts Receivable Team (Joint audit Ltd 2018/19) | | | | | | | | | | | | "D". Quarter 4 audit |
| Purchase Cards (Ltd 2018/19) | | | | | | | | | | | | Late Quarter 2 audit |

| AUDIT | Start Date | Date of Draft Report | *Key Indicator Met | Assurance Level | | | | Recommendations Priority | | | | Status |
|---|------------|----------------------|--------------------|-----------------|----------|---------|------------|--------------------------|-------|----------|-----|-------------------------|
| | | | | Good | Adequate | Partial | Inadequate | Critical | Major | Moderate | Low | |
| Absence Management – (Ltd 2018/19) | | | | | | | | | | | | Quarter 4 audit |
| Procurement | 1/8/19 | | | | | | | | | | | Work in progress |
| Risk Management | | | | | | | | | | | | Quarter 4 audit |
| Revenue Budgeting/Transformation savings | | | | | | | | | | | | Quarter 3 audit |
| Alternative Delivery Models | | | | | | | | | | | | Quarter 3 audit |
| IT AUDIT Social Media (Ltd 2018/19) | | | | | | | | | | | | “D”. Quarter 3 audit |
| Cyber liability (Ltd 18/19) | | | | | | | | | | | | Quarter 3 audit |
| IT asset management (Ltd 18/19) | | | | | | | | | | | | Late Quarter 2 audit |
| Enterprise Agreement (Ltd 18/19) | | | | | | | | | | | | Quarter 3 audit |
| Enterprise Programme (365 Project) Review | | | | | | | | | | | | Quarter 3 audit |
| Remote Access VPN Solution | | | | | | | | | | | | “D”. Quarter 3 audit |
| ICT Continuity Management | | | | | | | | | | | | Quarter 4 audit |
| GDPR | 6/6/19 | 19/7/19 | ✓ | | | | ✓ | | 12 | 10 | 2 | Final |
| Agresso IT system | 13/5/19 | 19/7/19 | ✓ | | | ✓ | | | 2 | 4 | 1 | Final |

| AUDIT | Start Date | Date of Draft Report | *Key Indicator Met | Assurance Level | | | | Recommendations Priority | | | | Status |
|--|------------|----------------------|--------------------|-----------------|----------|---------|------------|--------------------------|-------|----------|-----|--|
| | | | | Good | Adequate | Partial | Inadequate | Critical | Major | Moderate | Low | |
| 2017/18) | | | | | | | | | | | | determine when this can be audited. |
| Domiciliary Care Follow up (Ltd 2018/19) | | | | | | | | | | | | To be followed up as part of the Contracts audit in Quarter 4 |
| ASC Residential care contracts Follow up (Ltd 2018/19) | | | | | | | | | | | | "D". To be followed up as part of the Contracts audit in Quarter 4 |
| Direct payments Follow up (Ltd 2018/19) | | | | | | | | | | | | Late Quarter 2 audit |
| CSC Residential Contracts | 24/6/19 | | | | | | | | | | | Work in progress |
| Parenting assessments under FSM | | | | | | | | | | | | "D". Late Quarter 2 audit |
| FSM Strategy Meetings | | | | | | | | | | | | Late Quarter 2 audit |
| Fostering reviews | | | | | | | | | | | | Quarter 4 audit |

| AUDIT | Start Date | Date of Draft Report | *Key Indicator Met | Assurance Level | | | | Recommendations Priority | | | | Status |
|--|------------|----------------------|--------------------|-----------------|----------|---------|------------|--------------------------|-------|----------|-----|-------------------------|
| | | | | Good | Adequate | Partial | Inadequate | Critical | Major | Moderate | Low | |
| | | | | | | | | | | | | Quarter 2 audit |
| PEP Follow up (Ltd 2017/18 and 2018/19) | | | | | | | | | | | | Late Quarter 2 audit |
| Services to Schools | | | | | | | | | | | | "D". Quarter 4 audit |
| SCHOOLS School AI (Limited in 2017/18 and 2018/19) | | | | | | | | | | | | Quarter 4 audit |
| School B (Limited in 2016/17) | 17/6/19 | 11/7/19 | ✓ | | ✓ | | | | | 4 | 1 | Final |
| School CI (due 2018/19 but deferred) | 5/6/19 | 7/8/19 | X | | | ✓ | | | 2 | 8 | 1 | Draft issued |
| School D | 1/7/19 | 7/8/19 | X | | ✓ | | | | | 1 | 2 | Draft issued |
| School E | | | | | | | | | | | | Quarter 3 audit |
| School F | | | | | | | | | | | | Quarter 3 audit |
| School G | | | | | | | | | | | | Quarter 3 audit |
| School H | | | | | | | | | | | | Quarter 3 audit |
| School I | | | | | | | | | | | | Quarter 3 audit |
| School J | | | | | | | | | | | | Quarter 3 audit |
| School K | | | | | | | | | | | | Quarter 3 audit |

| AUDIT | Start Date | Date of Draft Report | *Key Indicator Met | Assurance Level | | | | Recommendations Priority | | | | Status |
|--|------------|----------------------|--------------------|-----------------|----------|---------|------------|--------------------------|-------|----------|-----|-----------------|
| | | | | Good | Adequate | Partial | Inadequate | Critical | Major | Moderate | Low | |
| School L (Limited 2017/18 and 2018/19) | | | | | | | | | | | | Quarter 4 audit |
| THEMED SCHOOL AUDITS Safeguarding/Governance | | | | | | | | | | | | Quarter 3 audit |

APPENDIX B

| AUDITS WHERE MAJOR ISSUES HAVE BEEN IDENTIFIED IN 2018/19 | CURRENT AUDIT POSITION |
|--|---|
| COUNCIL WIDE | |
| <ul style="list-style-type: none"> ● Debt Management | To be re-audited in quarter 4 |
| <ul style="list-style-type: none"> ● Purchase Cards | To be re-audited in quarter 3 |
| <ul style="list-style-type: none"> ● Absence Management | To be re-audited in quarter 4 |
| <ul style="list-style-type: none"> ● Social Media | To be re-audited in quarter 3 |
| PEOPLE | |
| <ul style="list-style-type: none"> ● Adult Social Care Pathway (late 2017/18 audit) | Follow up audit to be agreed |
| <ul style="list-style-type: none"> ● SEN Resource Provisions (Follow Up Memo. Also limited in 2017/18) | To be re-audited in 2020/21 |
| <ul style="list-style-type: none"> ● Personal Education Plans (Follow Up Memo. Also limited in 2017/18) | To be re-audited in late quarter 2 |
| <ul style="list-style-type: none"> ● Forestcare (Follow Up Memo. Also limited in 2017/18) | To be re-audited in quarter 4 as part of the Council wide debt management audit |
| <ul style="list-style-type: none"> ● Adult Social Care Pathway (Qtr 4 2017/18 Audit) | To be re-audited in quarter 4 as part of the Contracts audit |
| <ul style="list-style-type: none"> ● Housing Rents and Deposits | To be re-audited in quarter 4 |
| <ul style="list-style-type: none"> ● Adults Residential Care | To be re-audited in quarter 4 as part of the Contracts audit |
| <ul style="list-style-type: none"> ● Direct Payments | To be re-audited in late quarter 2 |
| <ul style="list-style-type: none"> ● Public Health | To be re-audited in late quarter 2 |
| <ul style="list-style-type: none"> ● Domiciliary Care | To be re-audited in quarter 4 as part of the Contracts audit |

| DELIVERY | |
|--|-------------------------------|
| <ul style="list-style-type: none"> ● Car Parks | Follow up audit to be agreed |
| <ul style="list-style-type: none"> ● Cyber Security (Also Limited Assurance in 2017/18) | To be re-audited in quarter 3 |
| <ul style="list-style-type: none"> ● IT Asset Management (Also Limited Assurance in 2015/16) | To be re-audited in quarter 3 |
| <ul style="list-style-type: none"> ● Enterprise Agreement | To be re-audited in quarter 3 |
| <ul style="list-style-type: none"> ● Business Rates (Also Limited Assurance in 2017/18) | To be re-audited in quarter 3 |
| <ul style="list-style-type: none"> ● Council Tax (Also Limited Assurance in 2017/18) | To be re-audited in quarter 3 |
| FINANCE | |
| <ul style="list-style-type: none"> ● Creditors System (Also limited in 2017/18, 2016/17, 2015/16 and 2014/15) | To be re-audited in quarter 4 |
| PLACE, PLANNING AND REGENERATION/FINANCE | |
| <ul style="list-style-type: none"> ● CIL/S106 | Audit in progress |
| SCHOOL GOVERNING BODIES | |
| <ul style="list-style-type: none"> ● School A (Also Limited Assurance in 2017/18) | To be re-audited in quarter 4 |
| <ul style="list-style-type: none"> ● School L (Also Limited Assurance in 2017/18) | To be re-audited in quarter 4 |

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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