

**TO : GOVERNANCE AND AUDIT COMMITTEE  
31 JANUARY 2018**

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**INTERNAL AUDIT INTERIM REPORT  
April – December 2017  
(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 December 2017.

**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.**

**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 Borough Treasurer 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.
- 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 2017. 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. 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.

## **7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 7.1 There are no specific legal implications arising from this report”

### Borough Treasurer

- 7.2 There are no direct financial implications arising from the report. The work of Internal Audit is key to fulfilment of the section 151 responsibilities by identifying weaknesses in internal control arrangements that can then be rectified

### 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 2017/18  
Strategic Risk Register

### Contact for further information

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# **HEAD OF AUDIT AND RISK MANAGEMENT REPORT**

**APRIL – DECEMBER 2017**

## 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 December 2017 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. The different categories of recommendation and assurance opinion are set out in the following tables.

### Recommendation Classifications

PRIORITY	DESCRIPTION
1	Essential – recommendation addresses a fundamental control weakness in the design of controls or consistent non-compliance with controls that puts the achievement of systems objectives at risk that must be brought to the specific attention of senior management and resolved.
2	Important – recommendation addresses weakness in the design of controls or inconsistency in compliance with controls putting the achievement of systems objectives at risk that should be resolved by management in their area(s) of responsibility.
3	Best practice – Recommended best practice to improve overall control

## Assurance Opinion Classifications

ASSURANCE LEVEL	DEFINITION
Significant	There is a sound system of internal controls to meet the system objectives and testing performed indicates that controls are being consistently applied
Satisfactory	There is basically a sound system of internal controls 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 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 leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

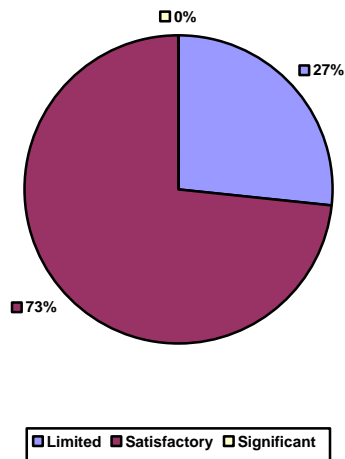
- 2.3 Internal Audit provides the relevant Director and the Borough Treasurer with copies of the draft report where a limited (or no) assurance opinion is given. This ensures that the senior management and the Section 151 Officer are informed at the earliest opportunity of any potential significant weaknesses or problem areas. Where satisfactory or significant assurance opinions are given, Directors receive copies of the final agreed report.

### **3. SUMMARY OF INTERNAL AUDIT RESULTS TO DATE**

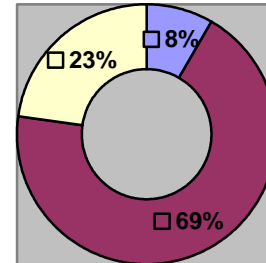
- 3.1 The Annual Internal Audit Plan for 2017/18 was considered and approved by the Governance and Audit Committee on 29<sup>th</sup> March 2017. The delivery of the individual audits is largely undertaken by our contractors Mazars Public Sector Internal Audit. In addition, IT audit is undertaken by TIAA Ltd and 11 reviews will be carried out under the Section 113 arrangement with Wokingham Borough Council's Internal Audit Team. In addition six reviews and all grants are scheduled to be audited in house.
- 3.1 During the period April to December 2017, 4 grants were certified, 18 memos and reports without an opinion were finalised, 25 reports were finalised, 8 memos and 3 reports had been issued in draft awaiting management responses and in 8 cases audit work was in progress. A summary of performance to date is set out below. Details on the status and outcome of all audits are attached at Appendix A.

## SUMMARY OF OUTCOMES APRIL – DECEMBER 2017

ASSURANCE OPINIONS



ANALYSIS OF RECOMMENDATIONS



■ Priority 1 ■ Priority 2 □ Priority 3

■ Limited ■ Satisfactory □ Significant

ASSURANCE	FINAL AND DRAFT APRIL- DECEMBER 2017	FINAL AND DRAFT 2016/17
Significant	-	1
Satisfactory	22	42
Limited	8	23
<b>Total for Audits Including an Opinion</b>	<b>30</b>	<b>66</b>
Grant Claim Certifications	4	4
Reports/Memos with Priority 1 Recommendation and no Opinion	4	-
Other Memos/Reports with no Opinion	25	14
<b>Total</b>	<b>63</b>	<b>84</b>

	Client Questionnaires		Draft Report /Memo Produced within 15 Days of Exit meeting
	Received	Satisfactory	
<b>April to December 2017</b>	15	100%	82%
<b>2016/17</b>	30	100%	77%

- 3.2 As noted above and at Appendix A, delivery against the planned programme is on track with the bulk of quarter 1- 3 audits finalised, issued in draft, or already in progress. The majority of assurance opinions given were satisfactory.

### **Significant Control Issues**

- 3.3 Audits which have identified significant weaknesses will generally be revisited in 2018/19, to ensure successful implementation of agreed recommendations. The key weaknesses identified during audits with a limited assurance opinion to date are as follows:

<b>DIRECTORATE</b>	<b>AUDITS WITH SIGNIFICANT ISSUES IDENTIFIED</b>
<b>COUNCIL WIDE AUDITS</b>	<u>AGRESSO OFFICERS EXPENSES [( ALSO LIMITED IN 2016/17)</u> A priority 1 recommendation was raised due to an unexplained weakness in the IT system where for one of the sample there was no workflow on the system and it was not possible to confirm whether the claim had been checked and approved and by whom prior to payment
<b>CHILDREN, YOUNG PEOPLE AND LEARNING</b>	<u>SEN RESOURCE PROVISIONS</u> Three priority recommendations were raised on the absence of formal agreements, lack targets and outcomes and ambiguity in the calculation of funding.
	<u>PERSONAL EDUCATION PLANS</u> Three priority recommendations were raised on the absence of PEPs for pre-school and post 16 children, lack of manager quality review checks and weaknesses in monitoring allocation and use of pupil premium.
<b>CORPORATE SERVICES</b>	<u>HOME TO SCHOOL TRANSPORT (FOLLOW UP MEMO ISSUED. ALSO LIMITED IN 2016/17)</u> A priority 1 recommendation was raised again on DBS checks.
	<u>DISASTER RECOVERY (FOLLOW UP MEMO ISSUED. ALSO LIMITED IN 2016/17)</u> Audit found that the original priority 1 recommendation on Dr documentation had been partially implemented as this was still in draft and one priority 2 recommendation on the scheduling of recovery testing had not been implemented and has been escalated to a priority one finding.
	<u>CYBER SECURITY GAP ANALYSIS INCLUDING VOIP</u> Two priority 1 recommendations were raised on identification of risks and review and update of the Acceptable Use Policy.
	<u>BUSINESS RATES</u> One priority one recommendation raised to address non compliance with write off authorisation procedures.
	<u>COUNCIL TAX</u> One priority one recommendation raised to address non compliance with write off authorisation procedures.
<b>ADULT SOCIAL CARE , HEALTH AND HOUSING</b>	<u>FORESTCARE</u> Three priority 1 recommendations raised on direct debit rejections, contract management information and timesheet checks.

## SCHOOL AUDITS IDENTIFYING SIGNIFICANT CONTROL ISSUES FOR GOVERNING BODIES TO ADDRESS

<b>SCHOOL AUDITS</b>	<p><u>SCHOOL 1 (FOLLOW UP MEMO ISSUED. -ALSO LIMITED IN 2016/17)</u> The priority one recommendation relating to invoice approval had not been implemented and was re-raised. However as part of the desk exercise to follow up recommendations in December 2017, the School advised that the priority one recommendation had now been implemented.</p> <p><u>SCHOOL 2</u> Five priority one recommendations have been raised relating to weaknesses in budget monitoring, authorisation of invoices, maintenance of an inventory, control over iPads and the audit of the private fund.</p>
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- 3.4 In addition, during quarter 2, a memo was produced on gap analysis undertaken to review the Council's preparedness for the new General Data Protection Regulations which come into effect in May 2018. Whilst three priority one recommendations were raised, these were only in relation to the administrative implementation process itself and the review identified that the Council already has robust processes currently in place for its data protection responsibilities and is well placed to implement the requirements of the new regulations. .The priority 1 recommendations raised related to putting adequate monitoring meetings in place, developing a compliance plan and the use of the government's 12 step guide. Actions to address gaps identified are being monitored through the Information Management Group as noted in 5.2.

### **Update of 2016/17 Audits with Limited Assurance Opinions and/or Priority 1 Recommendations**

- 3.5 An update on the limited assurance opinions given in 2016/17 is shown at Appendix B. This shows that as at December 2017, follow up audits had been finalised in 12 cases and in 8 out of 12 cases this established that the significant issues previously found had been addressed. had resulted in a satisfactory opinion. In four cases, priority 1 recommendations were raised again.as detailed in section 3.4.

### **Update of 2016/17 and 2017/18 Audits with Satisfactory Assurance Opinions and/or Priority 1 Recommendations**

- 3.6 A further follow up exercise has been completed on audits where 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. This identified that 98 out of 148 recommendations had been implemented.



## **Quality Assurance and Improvement Programme**

- 3.7 As shown above in section 3.2, 100% of the client questionnaires indicated the auditees were satisfied with the service. All grants were certified in accordance with Government departments' deadlines. In 82% of cases internal audit providers delivered the first draft report within 15 days of the exit meeting.

## **4. RISK MANAGEMENT**

- 4.1 During 2017/18 a major overhaul of the Strategic Risk Register was undertaken and the new format was agreed with the Corporate Management Team (CMT) in May. The new format including risk appetite is being rolled out across all directorates for their directorate risk registers and is also being adopted at another Berkshire authority.
- 4.2 Between April and December 2017, the Strategic Risk Register was reviewed three times by the Strategic Risk Management Group (SRMG) and CMT and once by the Governance and Audit Committee in June 2017. A review of progress on actions to address strategic risks was carried out in Quarter 3. Directorate risk registers continue to be monitored regularly at Departmental Management Teams.

## **5. GOVERNANCE**

- 5.1 The General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679) is an EU regulation intended to strengthen and unify data protection for individuals within the European Union. It replaces the Data Protection Directive 95/46/EC and is due to come into effect on 25 May 2018. The GDPR requires changes to be made by organisations and breaches associated with non-compliance can be up to 4% of turnover or €20M whichever is greater. The Government has confirmed the UK will adopt the GDPR despite Brexit.
- 5.2 In response to this, a gap analysis review was undertaken by TIAA Ltd to assess the Council's preparedness for the changes being introduced. This identified that the Council already has robust processes currently in place for its data protection responsibilities and is well placed to implement the requirements of the new regulations. An action plan to address the gaps to be addressed has been produced and is being monitored at the Information Management Group together with the risk register for the implementation.

## **6. COUNTER FRAUD ACTIVITIES**

### **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 for submission for the 2016 round was:

- payroll
- pensions
- trade creditors
- housing benefits
- Council Tax
- electoral register
- private supported care home residents
- transport passes and permits (including residents' parking, blue badges and concessionary travel)
- insurance claimants
- licences – market trader/operator, taxi driver and personal licences to supply alcohol
- personal budget (direct payments)
- housing waiting list

Data was submitted to the Audit Commission during the third quarter of 2016/17.

6.2 Matches have been returned for investigation by the relevant teams and to date the following has been identified

- To date the Welfare Service have reviewed 51 of the matches relating to housing benefits and Council Tax Reduction and found errors in 7 or 13.7% of these cases. In 6 cases these resulted in reductions to housing benefit and identified £4,172.70 of housing benefit overpayments which have been recovered or are in the process of being recovered. In three of these cases and one further case investigations also resulted in a decrease in Council Tax Reduction.”
- One person has been removed from the housing waiting list. This match was identified in the waiting list to in-country immigration matches which identifies instances where a waiting list applicant appears not to be entitled to reside in the UK. Confirmation of immigration status has been requested from the person but they have not responded so have been removed from the list.

### **Benefits Investigations**

6.3 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 2017 to 15 December 2017 there were 56 referrals to SFIS. We have so far been notified of 2 administrative penalties relating to these cases. During the financial year 2016/17, 52 cases were referred and outcomes are still coming through this financial year. The Welfare Service have so far been notified of 6 administrative penalties by SFIS.

- 6.4 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 2017 and 15 December 2017 the service applied 353 Civil Penalties. From April 2016 Bracknell Forest Council can now apply penalties of £70 in respect of Council Tax. Between April 2017 and 15 December 2017 the service applied 33 Council Tax Penalties.
- 6.5 DWP carries out an exercise matching HM Revenue and Customs Real Time Information (RTI) against data held on six social security benefits; (Income Support, Jobseekers Allowance, Housing Benefit, Employment and Support Allowance, Pension Credit and Carers Allowance) to identify cases where claimants have either failed to declare or have under declared earnings and Non State Pension. The project commenced in October 2014 and has resulted in referrals being issued to local authorities where DWP has information that earnings or Non State Pension have not been correctly declared for the purposes of Housing Benefit. From April 2017 to 15 December 2017 Bracknell Forest Council received 1,521 referrals of which approximately 50.1% of referrals resulted in a reduction to Housing Benefit and approximately 7.4% resulted in an increase to Housing Benefit. Approximately 46.5% resulted in a reduction to Council Tax Reduction and 6.3% resulted in an increase to Council Tax Reduction. The Service also made the decision to opt in to optional RTI referrals for local authorities on a monthly basis starting June 2016. These are delivered with the existing RTI.

**APPENDIX A**

**2016/17 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	
<b>CORPORATE SERVICES</b> Construction and Maintenance Follow Up- additional audit	6/3/17	13/4/17	Yes			X	2	2		Final (already reported to G&A as issued in draft in June 2017)t
<b>ECC</b> Coral Reef Project	13/3/17	12/5/17	Yes		X			3		Final I (already reported to G&A as issued in draft in June 2017)
<b>SCHOOLS</b> College Town Junior	13/3/17	3/5/17	Yes			X	1	8	1	Final (already reported to G&A as issued in draft in June 2017)



AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
<b>CORPORATE SERVICES</b> Creditors including Controcc transactions	6/11/17									Work in progress
Debtors including Controcc transactions	30/10/17	16/11/17	Yes		X			4	3	Final
Main Accounting including reconciliations	7/8/17	22/11/17	No		X			2	4	Final
Treasury Management	31/7/17	17/11/17	No		X				4	Final
Payroll and pre employment checks										Qtr 4 audit
Cash Management										Qtr 4 audit
Council Tax	6/11/17	29/11/17	Yes			X	1	4	2	Final
Business Rates	6/11/17	29/11/17	Yes			X	1	6	2	Final
Registration services										Qtr 4 audit
Members Expenses and Allowances	22/5/17	12/6/17	Yes		X			2	2	Final
Home to School Transport Follow Up (Ltd 2016/17)	11/7/17	18/8/17	Yes	N/A follow up memo with no opinion			1	2		Final
New Commercial Properties										Qtr 4 audit
<b>IT AUDIT</b>	4/7/17	25/8/17	Yes	N/A follow up memo with no opinion			1	3	1	Final



AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Tree Services										Work in progress
Building Control and land charges										Qtr 4 audit
<b>IT AUDITS</b> Leisure Management System										Audit cancelled
Library self service and stock purchasing systems										Audit deferred to 2018/19
<b>COUNTER FRAUD</b> Whitegrove Library cash and income spot checks	21/7/17	25/7/17	Yes	N/A follow up memo with no opinion						Final
Ascot Heath Library cash and income spot checks	30/3/17	20/11/17	No	N/A follow up memo with no opinion						Final
Bracknell Leisure Centre cash spot checks	11/10/17	9/11/17	No	N/A follow up memo with no opinion but 3 recommendations						Final
Downshire Golf Complex cash spot checks	3/10/17	9/11/17	No	N/A follow up memo with no opinion						Final
Easthampstead Park Conference Centre cash spot checks	3/10/17	9/11/17	No	N/A follow up memo with no opinion but 2 recommendations						Final



AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status	
				Significant	Satisfactory	Limited	1	2	3		
<b>ADULT SOCIAL CARE, HEALTH AND HOUSING</b>  Social care journey <ul style="list-style-type: none"> <li>• RAS assessment</li> <li>• Care package approval</li> <li>• Financial assessment</li> <li>• Direct payment</li> <li>• Contracting</li> <li>• Brokerage</li> </ul>										Qtr 4 audit	
ASCHH Debt Management Follow Up (Ltd 16/17)											Qtr 4 audit
Mental Health Follow Up (Ltd 15/16)				N/A follow up memo with no opinion				2			Final
Bridgewell Follow Up (Ltd 15/16)	8/11/17	27/11/17	No	N/A closure memo with no opinion							Final
Glenfield House Support Team	17/8/17	20/9/17	Yes		X			4			Final
Emergency Duty			Yes		X			5	2		Draft issued



AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
excl PRU										progress
<b>IT AUDITS</b> ONE system- review of new module to support assessment of eligibility for extension of early years funding to 30 hours										Audit cancelled
<b>THEMED SCHOOL AUDITS</b> SEN – cross cutting audit of the 4 units at Garth Hill, Meadow vale , GT Hollands and Ranelagh	9/5/17	20/7/17	Yes			X	3	3		Final
Pupil Premium – overall report	1/10/17	10/1/18	Yes		X			6	1	Draft issued
Meadow Vale Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			2			Final
College Town Junior Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			6			Draft issued
Owlsmoor Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			1			Draft issued
New Scotland Hill Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			1			Draft issued
Easthampstead Park Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			6			Draft issued
Binfield Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			2			Draft issued
Crown Wood Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			2			Final





**APPENDIX B**

**FOLLOW UP OF AREAS PREVIOUSLY AUDITED WITH SIGNIFICANT CONTROL ISSUES**

<b>DIRECTORATE</b>	<b>AREA</b>	
<b>COUNCIL WIDE AUDITS</b>	<u>OFFICERS EXPENSES</u>	Re-audited in full in quarter 1 and a limited assurance opinion was given. See section 3.4.
	<u>BUDGET SAVINGS</u>	No follow up planned.
<b>CHILDREN, YOUNG PEOPLE AND LEARNING</b>	<u>MOSAIC IT SYSTEM</u>	Follow up deferred to 2018/19
<b>CORPORATE SERVICES</b>	<u>CONSTRUCTION AND MAINTENANCE</u>	As reported to the June 2016 Governance and Audit Committee, the issues have been raised with management at the last 3 audits and no further audit work will be undertaken
	<u>CREDITORS</u>	Audit in progress
	<u>IT EQUIPMENT</u>	No follow up planned
	<u>HOME TO SCHOOL TRANSPORT (2015/16 AUDIT)</u>	A follow up was carried out in quarter 1 and priority 1 recommendation was raised. See section 3.4.
	<u>CRM SYSTEM</u>	A follow up was carried out in quarter 2 and all priority 1 issues previously raised had been addressed.
	<u>DISASTER RECOVERY</u>	A follow up was carried out in quarter 2 and a priority 1 recommendation was raised. See section 3.4.
	<u>BACK UPS</u>	A follow up was carried out in quarter 2 and the priority 1 issue previously raised had been addressed.
<b>ENVIRONMENT CULTURE AND COMMUNITIES</b>	<u>LED</u>	No follow up planned
	<u>HIGHWAYS NETWORK ASSETS</u>	Since the audit CIPFA have withdrawn the proposed accounting changes hence no

DIRECTORATE	AREA	
		further audit work will be carried out in this area.
ADULT SOCIAL CARE , HEALTH AND HOUSING	<u>MENTAL HEALTH (2015/16 AUDIT)</u>	This was followed up in quarter 2 and the audit concluded that the priority 1 issues had been addressed although it was noted that there was a need to improve recording of reviews on the LAS system.
	<u>BRIDGEWELL</u>	The centre has now closed so no further audit work was taken on the recommendations although an audit was carried out on the controls over assets during the close down process.
	<u>ADULT SOCIAL CARE DEBT MANAGEMENT</u>	This will be audited in quarter 4.

FOLLOW UP OF SCHOOL 2016/17 AUDITS IDENTIFYING SIGNIFICANT CONTROL ISSUES FOR GOVERNING BODIES TO ADDRESS		
SCHOOL ESTABLISHMENT AUDITS	<u>SCHOOL A</u>	Followed up in quarter 1 and a priority 1 recommendation was raised again. See section 3.4. As part of the desk exercise to follow up recommendations in December, the School advised that 4 recommendations raised in quarter 1 have now been implemented including the priority one recommendation and the remaining priority 2 recommendation is in progress
	<u>SCHOOL B</u>	Followed up in quarter 1 when it was established that the significant issue identified on expenditure approval identified had been partially addressed. The School advised in December that this matter had now been fully addressed.
	<u>SCHOOL C</u>	Follow up to be carried out in quarter 4.
	<u>SCHOOL D</u>	Followed up in quarter 1. One priority 1 recommendation has been fully implemented and the other priority 1 recommendation on expenses had been partially implemented.
	<u>SCHOOL E</u>	Followed up in quarter 1. The issues that had resulted in the two priority 1 recommendations had been addressed.

**FOLLOW UP OF SCHOOL 2016/17 AUDITS IDENTIFYING SIGNIFICANT CONTROL ISSUES FOR GOVERNING BODIES TO ADDRESS**

	<u>SCHOOL F</u>	A follow up was undertaken before the school became an academy and it was found that the priority 1 recommendation had been addressed.
<b>THEMED SCHOOL AUDIT</b>	<u>PROCUREMENT IN SCHOOLS</u>	Consideration will be given as the most appropriate timing for re-auditing this area to ensure that there is a meaningful sample to test as there are only a very limited number of large procurements in schools.



## FOLLOW UP OF RECOMMENDATIONS

## 2016/17 AUDIT REPORTS

Audit	Recommendations Priority			Outcome
	1	2	3	
<b>ECC</b> Downshire Golf	0	11	0	8 implemented and 3 in progress
Easthampstead Park Conference Centre	0	10	0	One recommendation and part of another recommendation were disagreed. One recommendation is ongoing re the sound equipment and seven recommendations have been completed.
<b>IT AUDITS</b> CONFIRM	0	6	4	Four priority 2 and three priority 3 rec implemented. Two priority 2 and one priority 3 recommendation in progress.
<b>CYPL</b> Pupil Places	0	8	2	One priority 2 and one priority 3 recommendation has been implemented. Three priority 2 recommendations are outstanding. One priority 2 and one priority 3 recommendation not agreed. Two priority 2 recommendations are not yet due as they will be addressed at the time of the new contract although one has been taken into account in drafting the specification.
New Scotland Hill	0	8	0	All implemented
Sandy Lane Primary (Ltd 15/16)	0	7	2	Four priority 2 and one priority 3 recs implemented, Rest are in progress.
St Michael's Hampstead CE Prim (Ltd 15/16)	0	3	1	All implemented except for the priority 3 rec which will go to the fin Committee in Feb 18
Wildridings Primary	0	7	1	All implemented except for one priority 2 and one priority three recommendation.
SEND	0	10	2	All implemented
Residential placements	0	1	2	All implemented
<b>ASCHH</b> Better Care Fund-	0	3	3	One priority three and two priority recommendations implemented and the rest are in progress.
Financial Assessments and Benefits Checks	0	0	3	One not agreed and two implemented
Regalement and Hospital Discharge	0	6	0	One superseded, three implemented and two in progress
Discretionary Housing Payments and Social Fund Payments	0	2	2	One priority 2 and one priority 3 recommendation implemented. The rest are in progress
	0	82	22	

2017/18 AUDIT REPORTS

Audit	Recommendations Priority			Outcome
	1	2	3	
<b>CORPORATE SERVICES</b> Members Expenses and Allowances	0	2	2	All implemented
<b>ICT</b> Back Ups (Ltd 2016/17)	0	0	3	Implemented
<b>ADULT SOCIAL CARE, HEALTH AND HOUSING</b> Matrix –Agency system	0	6	4	Two priority 2 recommendations implemented. The other recommendations are outstanding.
Housing Applications and Allocations	0	0	2	Implemented
<b>SCHOOLS</b> Whitegrove	0	7	2	All implemented except one priority 2 rec on completing the fraud health checklist due by the end of the year
Ascot Heath Infants follow up	0	3	0	All implemented
Eathampstead Park follow up	0	6	2	No response received
Winkfield St Mary follow up	0	4	1	All recommendations implemented.
	0	28	16	