

Internal Audit Service

Annual Report 2020-21

Duncan Wilkinson – Chief Internal Auditor

June 2021



Internal Audit Annual Report 2020/21

Northamptonshire County Council

Table of Contents

1. INTRODUCTION	2
2. INTERNAL AUDIT OPINION	3
3. BASIS OF THE OPINION	4
4. KEY ISSUES.....	8
5. OTHER WORK & WORK OF OTHER ASSURANCE PROVIDERS	8
6. AUDIT RESOURCES.....	9
7. SERVICE PERFORMANCE & QUALITY.....	9
8. ANNEX A	11



Executive Summary

1. Introduction

- 1.1. The Public Sector Internal Audit Standards (PSIAS) require the 'Chief Audit Executive' to provide an Annual Report to inform the Annual Governance Statement, which is a statement of the effectiveness of the framework of governance, risk and controls in operation within the Council. Northamptonshire County Council's Chief Audit Executive is the Shared Service Chief Internal Auditor.
- 1.2. The Standards require the Internal Audit Annual Report to:-
- include an opinion on the overall adequacy and effectiveness of the Council's internal control environment,
 - present a summary of the audit work on which the opinion is based,
 - draw attention to any key issues that may impact on the level of assurance provided,
 - provide a summary of the performance of the Service
 - comment on the Audit Service's level of compliance with PSIAS.
- 1.3. The internal control environment comprises the Council's policies, procedures and operations designed to:-
- establish and monitor the achievement of the Council's objectives
 - facilitate policy and decision making
 - ensure the economic, effective and efficient use of resources
 - ensure compliance with established strategies, policies, procedures, laws and regulations
 - Safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud or corruption.

It is the responsibility of the Council to establish and maintain appropriate risk management processes, control systems, accounting records and governance arrangements.

- 1.4. The role of Internal Audit is to provide an assurance to the Council that these arrangements are in place and operating effectively. The Annual Audit Plan sets out proposals on how this will be achieved in the year ahead. The Council's response to internal audit activity (individual audit reports) should lead to the strengthening of the control environment and therefore contribute to the achievement of the organisation's objectives.

Internal audit is best summarised through the definition within the Standards as an

"Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

2. Internal Audit Opinion 2020/21

- 2.1. The Chief Internal Auditor is responsible for the delivery of an annual audit opinion and report that can be used by the Council to support its governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and internal control.
- 2.2. The impact of COVID-19 on all the public services has been considerable and for internal auditors it has raised the question of whether they will be able to undertake sufficient internal audit work to gain assurance during 2020/21 to give an annual opinion as required under PSIAS. Operational arrangements and planned work were reviewed regularly to ensure continued service delivery.
- 2.3. Recognising the struggles and challenges that Audit Sections may face in trying to abide by the requirements of PSIAS, CIPFA produced sector specific guidance on the key requirements to consider in drafting the Annual Report. The guidance highlights instances where a limitation of scope opinion would be proposed. Whilst acknowledging that as a result of the pandemic, the capacity of the Council to respond to internal Audit varied depending on various factors, limitation of scope was not felt to be valid.
- 2.4. In giving this opinion, there is an understanding that no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on the following key requirements as set out by CIPFA
 - 2.4.1. Sufficiency of internal audit assurance work completed to support the annual opinion, (assurance & anti-fraud and risk); **Section**
 - 2.4.2. The results of any ongoing issues that have carried forward into the new Councils; **Section**
 - 2.4.3. The results of work of other review bodies where appropriate; **Section**
 - 2.4.4. The extent and adequacy of resources available to deliver the internal audit work in light of potential impacts of the pandemic; **Section 6**
 - 2.4.5. The quality and performance of the internal audit service and the extent of compliance with the Standards. **Section 7**

Audit Opinion – 2020/21

I can confirm that sufficient assurance work has been carried out to allow me to form a conclusion on the adequacy and effectiveness of Northampton County Council’s internal control environment during 2020/21. In my opinion the Council’s framework of governance, risk management and management control is **Satisfactory**. For the most part key governance and risk management arrangements have been maintained

Covid19 has and continues to provide significant challenges to control processes and the audit of them. Audit work throughout 2020/21 has taken into account these issues and pressures, with appropriate measures put in place to ensure continued assessment of the control environment.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

Duncan Wilkinson FCMA CGMA
Chief Internal Auditor

Audit Opinion Categories:

- **Substantial Controls** – findings show that only minimal weaknesses have been found (if any) that present very low risk.
- **Good System of Internal Control** - Findings indicate that on the whole, controls are satisfactory, although some enhancements may have been recommended.
- **Satisfactory System of Internal Control**– A number of findings, some of which are significant, have been raised. Where action is in progress to address these findings and other issues known to management, these actions will be at too early a stage to allow a Good audit opinion to be given.
- **Limited System of internal Control** – Findings indicate significant control weaknesses and the need for urgent remedial action. Where corrective action has started, the current remedial action is not sufficient or sufficiently progressing to address the severity of the control weaknesses identified.
- **No Assurance** - There are fundamental control weaknesses that present an unacceptable level of risk to the control environment. In simple terms this means there are no effective control systems.

3. Basis of the Opinion

3.1. Internal Audit work completed in 2020/21

- 3.1.1 In accordance with PSIAS, the Accounts and Audit Regulations 2015, and recent guidance from CIPFA the Chief Audit Executive's annual opinion, is based upon the work performed by Internal Audit during the year and assurance from other sources of assurance.
- 3.1.2 Work has been planned and performed so as to obtain sufficient information and explanation considered necessary, to provide evidence to give assurance on the effectiveness of the internal control system. Best use was made of Internal Audit resources during the year to maximise assurance, with Audit resource being applied to providing ongoing assurance over activities and arrangements that contributed to oversight of the control environment. The Audit Plan remained fluid throughout the year with audits being removed or introduced to reflect changing risks, and an action plan put in place to enhance internal audit capacity- agreed with the Leadership and Audit Committee. The audit plan year end for Northampton County Council is 31st March 2021.
- 3.1.3 The opinion reflects the following positive actions taken by Management during the year, involving the Audit Service, that contributed to the control environment being maintained during the year despite the disruption of the pandemic
- Robust financial management arrangements implemented in line with CIPFA Financial management code, including budget monitoring and closer working between Finance, budget managers and Directors
 - For the most part risk management arrangements have been maintained with regular review and update of the strategic risk registers. A covid compilation risk register was also put in place as part of the comprehensive covid 19 incident plan, to better manage risks arising from different areas of the Council arising from the pandemic.
 - Real time review of procurement transactions for assurance that only essential spend was being undertaken, to better manage outgoings, cashflow and supplier
- 3.1.4 The following key factors identified from Internal audit work and discussions with Management were deemed to have impacted the effectiveness of controls and risk management during 2020/21.
- Control weaknesses highlighted from Audit reviews including issues over Spreadsheet Import payments; Journal posting authorisations; oversight on procurement card purchases
 - As a category 1 responder, it is recognised that the pandemic has had a notable impact on the Council Service delivery, with internal control arrangements having been disrupted, due to staff being redeployed from their normal duties; staff working remotely with limited supervision and increased demand to work at pace with Partners and Central Government to meet emergency demands from businesses and the general public
 - Challenges to the control environment from both the changes due to LGSS remodelling of delivery of key services during the year and the increasing need to focus on work to transfer to the new Authorities, while attempting to maintain business as usual.
 - Operational disruptions from reduction in available staffing resource from staff needing to self – isolate, shield and work remotely.

3.1.5 The 2020/21 Internal Audit plan, approved by the Audit Committee on 25 June 2020 was always likely to be different to take proper account of assurances required as the transition from NCC to Unitary Councils progressed, but also to take account of the unique challenges created by the Covid19 pressures.

Usually the plan is underpinned by a consultation exercise with management and remains sufficiently flexible to enable assurance over current risk areas, as well as emerging risks, and those risks which are yet to be identified. Consultation was limited to only selected key stakeholders and the risks applicable throughout 2020/21 continued to emerge during the year with the plan being subject to significant changes.

3.1.6 In preparing the overall opinion, the Chief Audit Executive has reviewed all audit activity carried out during 2020/21 and noted any issues arising from audits that have carried forward into 2021/22.

Internal Audit Plan work recommenced in August 2020, following suspension of work on planned audits during the year, in consultation with the Chair of Audit Committee and Executive Director of Finance. This opinion is based on Planned work completed to final/draft stage but also takes into consideration detailed work undertaken by the Audit Service on providing verification and assurance on financial activities undertaken by the Council during this period.

During the year, audit activity included reviews in the following areas

- Assurance work related to the pandemic response, included
 - Analysis of expenditure during the period to highlight and query those not considered essential spend
 - validation of Contract payments via an open book review of suppliers' costs data and provision of assurance over supplier resilience for contractors provided with financial support by the Council

- Key Financial systems – reviews focused on the systems that have the highest financial risk, recording transactions within the 2020/21 financial year.
- Systems based and probity reviews - focused on those core areas where a high level of compliance is necessary for the organisation to carry out its functions properly and targeted towards key areas of high risk, as identified through consultation with senior management, risk register information, and the Internal Audit risk assessment of the organisation.
- Grant certification – verification that monies have been spent in accordance with grant conditions. The level of government grants to support businesses and individuals during the year have increased significantly.
- Information Technology – focused on ensuring security over information/data and IT assets.
- Procurement/contracts – focused on reviewing adequacy of management of contracts performance and payments and controls over creditor payments.
- Anti-Fraud work – prevention and investigation work.
- Risk and other Consultancy – strategic support and guidance.

All audit reviews contain assurance opinions based on the adequacy of the system of internal control in existence at the time of the audit and on the level of compliance with those controls, reflected as:

Adequacy of System	<p>SUBSTANTIAL- Substantial governance measures are in place</p> <p>GOOD - Governance measures are in place with only minor control weaknesses.</p> <p>SATISFACTORY- Systems operate to a moderate level with some control weaknesses</p> <p>LIMITED significant control weaknesses that present a high risk to the control environment.</p> <p>No ASSURANCE fundamental control weaknesses that present an unacceptable level of risk to the control environment.</p>
Compliance with the system	<p>SUBSTANTIAL- the control environment has operated as intended without exception.</p> <p>GOOD -good compliance, although some errors have been detected</p> <p>SATISFACTORY control environment has mainly operated as intended although errors have been detected</p> <p>LIMITED control environment has not operated as intended. Significant errors have been detected</p> <p>NO ASSURANCE control environment has fundamentally broken down</p>

3.1.3 The individual assignment opinion is based on the number of recommendations raised and an assessment as to the likelihood of the risk occurring and the impact to the Council should the risk materialise. Individual recommendations were assessed and categorised as:

- **Essential** –Action is imperative to ensure objectives for the area under review are met
- **Important** – Action is required to avoid exposure to significant risks in achieving the objectives of area under review
- **Standard** –Action is recommended to enhance control or improve operational efficiency

The assurance opinion assigned to the individual audit areas reviewed during the year are as detailed below for information.

Audit type	Nos of Audits completed	System Assurance						Compliance Assurance					
		S	G	SF	L	NA	NO	S	G	SF	L	NA	NO
Key Financial Reviews	10	1	5	2	1	0	1	0	6	3	0	0	1
System Based /Probity reviews	7	0	2	3	0	0	2	0	1	1	3	0	2
Information Technology	4	0	1	2	1	0	0	0	2	2	0	0	0
Procurement and Contracts	4	0	0	3	0	0	1	0	2	2	0	0	0
Grant certifications	8	Assurance given											
Other Reviews	7	Advice & Support given											

S=substantial; G=good; SF=satisfactory; L= Limited; NA= no assurance; NO= No Opinion

During 2020/21 there were 5 audit reviews where our opinion was a “limited” assurance opinion against the system design or compliance with system controls (7 - 2019/20). Where finalised, these audits have been reported to Committee during the year and the number of recommendations raised and their categories were as follows:

Audit	No. of Essential Recommendations	No. of Important Recommendations
IT software Licenses	0	6
Spreadsheet Import Payment Interfaces	3	0
Government Procurement Cards	2	1
General Data Protection Act	0	4
Children’s Services Complaints Management	0	3

See **Annex A** for the audit assignments and the assurance levels given

3.2. Recommendation Action Status

- 3.2.1 In preparing the overall opinion, the Chief Audit Executive has reviewed the implementation status of recommendations raised during this and previous year as a measure of how the organisation has improved the controls once identified. Full implementation of all agreed actions is essential if the benefits of the control improvements detailed in each individual audit report are to be realised.
- 3.2.2 In line with the current Internal Audit methodology only agreed actions that have been assessed as ‘Essential’ or ‘Important’, and that have reached their agreed target implementation date, are specifically followed up. This involves obtaining managements’ confirmation of implementation together with appropriate evidence to support the implementation.

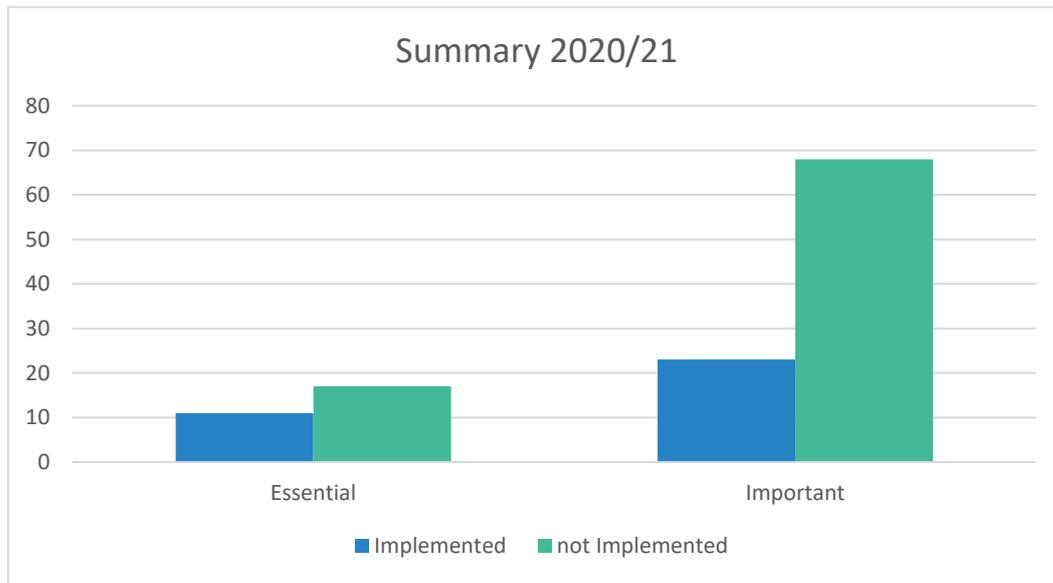
An overview of agreed actions and the implementation of actions in 2020/21 is summarised in Tables 1 and 2:

Table 1: Total Agreed Management Actions 2020/21 (Final/draft Reports)

	<u>Essential</u>	<u>Important</u>	<u>Standard</u>	<u>Total</u>
<u>Number</u>	6	52		58
<u>% of Total</u>	10%	90%		100

Table 2: Implementation of Agreed Management Actions as at 2020/21 (Final/draft Reports)

	<u>Essential Actions</u>	<u>Important Agreed Actions</u>	<u>Total</u>
<u>Recs outstanding 1/6/20</u>	22	39	61
<u>Rec 2020/21</u>	6	52	58
<u>TOTAL</u>	28	91	119
Implemented	11	23	34
Outstanding 30/4/21	17	68	85
Not implemented/being followed up	14	45	59
Agreed Implementation date is after 31 st March 2021	3	23	26



3.2.3 Of 119 recommendations made or brought forward, 93 were due to be followed up/ implemented during the year. Only 34 were confirmed as having been implemented- 37%. It is acknowledged that responding to the pandemic has been prioritised and this is reflected in the levels of recommendations not yet followed up and/or implemented. Whilst overall, the results show a reduction in the % of internal Audit recommendations fully implemented when compared with a level of 72% in 2019/20, it is recognised that the oversight process introduced by the leadership team which scrutinised improvement actions from all inspections and audits has been effective in securing improvements in the control environment across the Council.

Where the agreed implementation date for an action is after 30 April 2021, these actions will be followed up prior to the next Audit Committee where their implementation status will be reported on.

3.3. **Anti- Fraud work completed during the year**

3.3.1 Work is undertaken throughout the year to

- *Acknowledge and understand fraud and bribery risks*
- *Prevent and detect fraud*
- *Pursue recovery of losses from identified fraud*

Due to the volume of referrals and the wide range of issues raised, risk assessments are conducted in order to prioritise resources or transfer these to other appropriate bodies. Some referrals are not progressed if there is insufficient basis or evidence held to enable further action but are recorded on the case management system.

3.3.2 Between 1st April 2020 and 31st March 2021, 68 matters have been closed by Internal Audit’s Counter Fraud Service. Of these, 29 were either rejected due to insufficient evidence or were referred on to another department or organisation such as the Department for Work and Pensions. The 39 referrals subject to enquiry and investigation are detailed within Table 1 below.

Table 1: NCC closed investigations between during 2020/21

Case type	Total number of cases closed	Outcomes	Value
Internal (corporate) issues	10	<p>Advice was given on all referrals and recommendations made to improve the control environment as appropriate.</p> <p>Q1, -3 matters received relating to email spam from unrecognised sources. Advice was given.</p> <p>Q2, -2 matters; Bank mandate attempt with no financial loss incurred. Report issued following investigation into supplier partnership. Recommendations made to strengthen controls.</p> <p>Q3, - 2 matters; Cash theft of £49 – whereby the loss was reported but the individual responsible could not be identified.</p> <p>Staff identity visa query -assistance given to HR colleagues to assess and confirm there was no issue arising.</p> <p>Q4, 3 matters; two were Bank mandate attempts both reported to Action Fraud, with no financial loss.</p> <p>Referral concerning a staff member having a second job which was looked into with assistance of HR colleagues and closed with no further action due to insufficient evidence.</p>	No financial outcome recorded
Adult social care finance - debt recovery matters	6	<p>Advice given on 6 matters to assist recovery colleagues with debts. locate and trace searches are carried out with a view to reengage with individuals for the recovery process.</p>	No financial outcome recorded
Direct Payments	2	<p>With some assistance from DWP a reassessment was completed reducing the entitlement by £4,082.</p> <p>The other matter was reviewed with advice given.</p>	Reduction to the annual award by £4,082.
No recourse to public funds (NRPF)	21	<p>Support by way of financial screening to assist Social Services assessments for applications under s17. All referred applications were reviewed - 19 were deemed eligible for support and two applications were refused when financial circumstances were assessed.</p> <p>The notional value applied nationally for NRPF cases is £11,000 per family (outside of London) based on research in 2011.</p>	Notional value applied nationally for two NRPF cases. £22,000

Case type	Total number of cases closed	Outcomes	Value
		Supported cases are continually monitored for changes in circumstances.	
Total	39		£4,082 actual annual saving, £22,000 notional savings.

Progress on open cases

Table 2: Open cases under investigation carried forward into new Councils

Case type	Total number of open investigations / detail
NRPF (1 open case)	Recent applications have been received and support is being given to assist the assessments and conduct financial screening.
Direct Payment (1 open case)	Investigation to establish the facts with partner agencies regarding a service user who may have exaggerated circumstances to maximise direct payment award has been reassessed and reduced significantly. Appeal has been submitted by the service user.
Theft of petty cash incidents	Two incidents have been reported concerning petty cash held for service users which has been stolen.
Bank Mandate	Incident is being investigated whereby bank details have been changed causing a loss.

3.3.3 Monetary Values -Internal Audit’s Counter Fraud Service record investigation outcomes and, where possible, record monetary values identified through fraud or error by way of recoverable overpayments or savings. Sometimes this is an actual monetary saving, for instance where a direct payment case is reviewed and reduced.

Sometimes an estimated saving will be recorded for instance where a NRPF applicant is refused due to withholding financial information or withdrawn because they no-longer wish to apply for support, a notional saving is recorded of £11,000. This figure is quoted from 2011 research by London Borough of Islington for average costs for accommodation and subsistence for families being supported by councils outside of London.

3.3.4 National Fraud Initiative (NFI) -Internal Audit and the Counter Fraud have assisted with highlighting awareness to the increased exposure to fraud associated with the C19 situation which has been actively targeting councils grant application schemes and other cyber fraud.

The 2020/21 National Fraud Initiative started in September 2020 for extraction of data sets across a variety of service areas. The data upload has yet to be completed and matched data will be review by Counter Fraud according to risk priority, when received.

3.4. Risk and Other consultancy work completed during the year

3.4.1 The Internal Audit has worked with the respective Risk owners across the Council during the year, in order to review and revise triggers, consequences, controls and, where appropriate, action plans for each of the Corporate Risks. The engagement with senior managers is ensuring that the risk register is continually reviewed and updated and audit testing confirmed that the process is embedded across the Council.

3.4.2—During 2020/21 consultancy work has included commentary on the Financial System data migration transition project and the Council's Covid 19 response via a debriefing review in consultation with the emergency planning teams. The Audit team have also undertaken work on investigations relating to concerns raised by management.

4. Other Key Issues

In preparing the overall opinion, the Chief Audit Executive has to review Issues having a bearing on the 2020/21 opinion, carried forward into 2021/22.

Various Covid 19 grants received from the Government will need to be tracked and verified to ensure that the funds have been used in accordance with grant conditions, to achieve the desired effects and to minimise possibility of having to repay funds. With the closure of the County Council and formation of the unitary Councils, there is scope for grants not being properly identified/allocated.

The focus on getting to a safe and legal position for the new unitary Councils has meant resources were diverted from business as usual, coupled with staff continuing to work remotely as a result of the pandemic, have an ongoing impact of on the adequacy of the control environment at the end of the year.

5. Other work and work of other assurance providers

5.1 During the year, Internal Audit has provided assistance on various investigations and input to areas of concern raised by management.

5.2 In 2020/21, Internal Audit has continued to maintain a focus on review of financial and other policies and procedures to ensure that these are: up to date; fit for purpose; effectively communicated and routinely complied with across the organisation. During the year, the anti-fraud and corruption policies were reviewed and submitted for approval and compliance with the Contract Procedure rules evaluated

5.2 Internal Audit testing confirmed that grants received by Northamptonshire County Council requiring sign off by the Chief Internal Auditor and the Chief Executive, have been spent in accordance with grant conditions, including the troubled families grant process.

5.4 The Council was subject to various external inspections during the year, feedback from which was good in the main as regards service delivery and these include

- Recommendations made as a result of Peer review of financial management practices all of which have all been implemented.
- Children Services delivered by NCC was subject to a monitoring visit by OfSTED on 14/15 January 2020, following an inadequate grading from a focused visit in June 2019. The

monitoring visit highlighted some improvements, noting that “risks to children are being better identified at the front door and children are now being seen more promptly.

- The quality of Adult Social Services is monitored by Multi Agency Board, who highlighted areas for improvements.

Implementation of all the improvement actions/recommendations were monitored via the Corporate combined Action tracker submitted to the leadership Team on a monthly basis and Audit Committee on a quarterly basis.

- 5.5 The Council’s Financial Statements for 2018/19 were approved in September 2020. An unqualified opinion was issued by the external auditors on 31 March 2021. The external audit of the draft statement of accounts for the year ended 31 March 2020 has not yet been completed by the external auditors. The newly created West Northamptonshire Council will be charged with overseeing the completion of the audit of the 2019/20 Statement of Accounts.

6. Internal Audit Resources

The Internal Audit and Risk Shared Service operates with staff occasionally expected to work across partner sites. Throughout 2020/21, this has continued with cross partner audits being completed. The changes to the plan and changes to accommodate client staff working differently has required Audit resources to be used differently during the year.

7. Service Performance and Quality

- 7.1 **Plan Delivery-** The 2020/21 Internal Audit plan, approved by the Audit Committee on 25 June 2020 was always likely to be different to take proper account of assurances required as the transition from NCC to Unitary Councils progressed, but also to take account of the unique challenges created by the Covid19 pressures. The Plan remained fluid and was revised several times during the year, to reflect the changing risk landscape. Despite the challenges of remote working and access to client staff being difficult, as at 30 April 2021, 85% of the Plan agreed as at February 2021 committee had been completed to draft stage, against a target of 95%.
- 7.2 **Productivity** – As at the end of March 2021, the team’s productivity is at 90% which is in line with the target.
- 7.3 **Customer Feedback** -Continuous development in the quality of the internal audit service remains a key objective. In order to obtain feedback from the organisation, when final reports are issued, a link to an online Customer Feedback Questionnaire is provided to all officers who receive the final report. Respondents are requested to rate the overall satisfaction with regards to audit, with four options from Excellent – Poor. Respondents also have the opportunity to provide more specific detailed feedback.

For the financial year 2020/21, six customer surveys responses have been received, of which 2 rated the service as excellent and 4 as good.

7.3 Quality Assurance & Service Development

A revised Internal Audit Charter will be approved by the Audit Committees of the respective new unitary authorities at their first meetings in 2021. The Charter aims to ensure that the service remains effective and focused on providing a modern, independent and objective assurance

function to Councillors and management. Our code of conduct requires auditors to complete both an annual declaration as well as an assignment declaration for each audit undertaken.

Our work is guided by an Audit Manual based on PSIAS, which references our processes and documents and working papers are designed to ensure consistency of delivery and adherence to auditing standards.

Prior to issuing a report draft, following a closing meeting with the Client, each assignment undergoes a quality control process. The audit file and report are subject to a review and challenge by the Audit Manager.

As part of the shared service, there are opportunities to enhance and develop the audit team through joint working and sharing of good practice across Partner organisations. In 2020/2021 the partners provided additional opportunities to work together and share expertise and experience, as well as audit efficiencies, as system controls around ERP will only need to be audited once for all the partners (local transaction testing will still need to be undertaken). Development needs are identified through monthly one to one meetings and the annual appraisals.

7.4 Compliance with PSIAS

An external assessment of Internal Audit's compliance with Public Sector Internal Audit Standards (PSIAS) was undertaken in 2016/17, which found that the Internal Audit function and management arrangements demonstrated full compliance with the majority of the Standards.

In line with PSIAS requirement for a 5 yearly external assessment, the Internal Audit Shared Service will be subject to an assessment in 2021, by an independent qualified external assessor.

Throughout 2020/21 the Internal Audit Service worked in line with the Public Sector Internal Audit Standards.

ANNEX A

Summary of Reviews Completed 2020/21

The table below summarizes the Internal Audit reviews that were completed during the 2020/21 financial year, excluding counter fraud investigations which are itemised separately in the body of the report

AUDIT TITLE	STATUS	Control Environment Assurance	Compliance Assurance	Organisational impact
Carried Forward 2019-20 Audits				
VAT	Final Report	Satisfactory	Satisfactory	Minor
IT Software Licensing	Final Report	Limited	Satisfactory	Moderate
Complaints Management - Adults	Final Report	Satisfactory	Satisfactory	Minor
Complaints Management – Children’s Services	Final Report	Satisfactory	Limited	Minor
GPC	Final Report	Satisfactory	Limited	Minor
GDPR	Final Report	Good	Limited	Minor
Contract Procedure Rules	Final Report	N/A	Good	Minor
Financial Vetting of Contractors	Final Report	Satisfactory	Satisfactory	Minor
Contract Management – Cleaning	Final Report	satisfactory	Satisfactory	Minor
PH- Drugs and Alcohol Treatment	Field work			
Bank Rec	Deferred	Findings rolled into 20/21		
General Ledger	Deferred	Findings rolled into 20/21		
2020/21 – Audit Review				
Accounts Payable	Final Report	Good	Good	Minor
Accounts Receivable	Final Report	Good	Good	Minor
Bank Reconciliations	Final Report	Good	Good	Minor
Payroll	Final Report	Good	Good	Minor

AUDIT TITLE	STATUS	Control Environment Assurance	Compliance Assurance	Organisational impact
Debt Recovery	Final Report	Satisfactory	Satisfactory	Minor
IT Financial Controls	Final Report	Good	Good	Minor
Pensions	Final Report	Substantial	Good	Minor
Financial Management Improvement Plan	Final Memo	Assurance Given		
Spreadsheet Import Interfaces	Final Report	Limited	Satisfactory	Moderate
LGSS -Repatriation Review	Final Memo	N/A	N/A	N/A
Children's Trust – Service Contract Delivery Monitoring	Final Memo	N/A	N/A	N/A
LGR Governance	Final Memo	N/A	N/A	N/A
LGR Financial Systems transfer arrangements	Final Memo	N/A	N/A	N/A
C19 -Spend Analysis (April -July 2020)	Final Memo	N/A	N/A	Assurance Given
C9 – Pandemic Debrief	Final Memo	N/A	N/A	
Contract Register	Final Report	Satisfactory	Good	Minor
IT Audit – Patch Management	Final Report	Satisfactory	Satisfactory	Minor
IT Audit – Application User ID Admin	Final Report	Good	Good	Minor
IT Audit – Application systems Password Security configuration	Draft Report	Satisfactory	Good	Minor
Market underwriting -Business Service Continuity	Draft Memo	N/A	N/A	Assurance given
Trouble Families -Grant (Q1 - Q4)	Complete	N/A	N/A	Certified
Blue Badge New Criteria Grant	Complete	N/A	N/A	Certified
Bus Service Operating Grant	Complete	N/A	N/A	Certified
Transport Grants	Complete	N/A	N/A	Certified
Covid Bus Service support	Complete	N/A	N/A	Certified

AUDIT TITLE		STATUS	Control Environment Assurance	Compliance Assurance	Organisational impact
Foster Care Payments- follow up		Complete	N/A	N/A	Assurance given
Social Care Transport- Follow up		Complete	N/A	N/A	Assurance given
Youth Offending Service -follow up		Complete	Good	Good	Minor
General Ledger		Field work			
Treasury Management		Field work			
Payment to Early Years		Fieldwork			
Public Health Integrated Sexual Health		Field work			
Schools Assurance		Field work			
Asset Condition Survey Programme		Fieldwork			
Market Underwriting – supplier Resilience		Field work			
Highways Service contracts management		Deferred to 21/22			
VAT		suspended			

