

BUSINESS ASSURANCE

Internal Audit Progress Report to Audit Committee:

2020/21 Quarter 3

(including the 2020/21 Quarter 4 Internal Audit Plan)

4th January 2021



HILLINGDON
LONDON

www.hillingdon.gov.uk

Contents

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1. Introduction

1.1 The Role of Internal Audit

1.1.1 Internal Audit (IA) provides an independent assurance and consultancy service that underpins good governance, essential in helping the Council achieve its corporate objectives and realise its vision for the borough of Hillingdon. It is also a requirement of the Accounts and Audit (England) Regulations 2015 that the Authority undertakes an effective IA to evaluate the effectiveness of its risk management, internal control and corporate governance processes, taking into account the UK Public Sector IA Standards or guidance.

1.1.2 The UK Public Sector IA Standards (PSIAS) define the nature of IA and set out basic principles for carrying out IA within the public sector. The PSIAS help the Council to establish a framework for providing IA services, which adds value to the organisation, leading to improved organisational processes and operations.

1.2 The Purpose of the Internal Audit Progress Report to Audit Committee

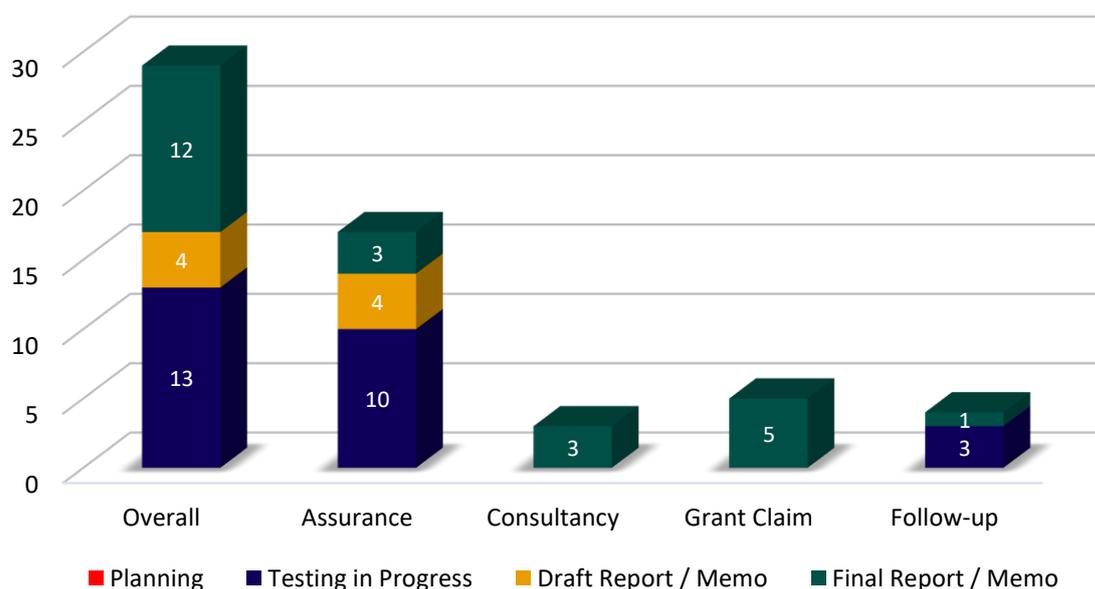
1.2.1 This progress report presents the Council's Corporate Management Team (CMT) and Audit Committee with summary information on all IA work for Quarter 3 (1st October to 31st December 2020). In addition, it provides an opportunity for the Council's Head of Internal Audit & Risk Assurance (HIA), to highlight any significant issues which have arisen from IA work in Quarter 3. It also highlights to CMT, the Audit Committee and other IA stakeholders the revisions to the Quarter 3 IA plan since its approval (refer to [Appendix B](#)).

1.2.2 A key feature of this report is the inclusion of the Quarter 4 IA plan (refer to [Appendix C](#)). This has been produced in consultation with senior managers over the last few weeks and sets out the planned programme of IA coverage due to commence in the Quarter 4 period (1st January to 31st March 2021).

2. Executive Summary

2.1 Since the last IA Progress Report to CMT and the Audit Committee dated 1st October 2020 **4 assurance reviews** (including **1 follow-up**) have concluded, a further **4 assurance reviews** are at draft report stage, **10 assurance reviews** are in progress and **2 grant claims** have been certified. The teams progress against this year's programme of IA work for 2020/21, is depicted in [Chart 1](#) below:

Chart 1 - 2020/21 IA Work Undertaken to Date

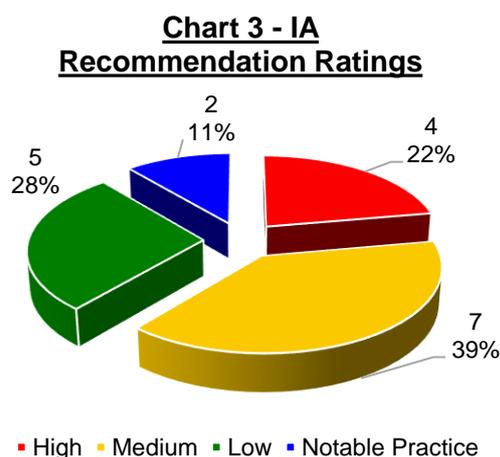
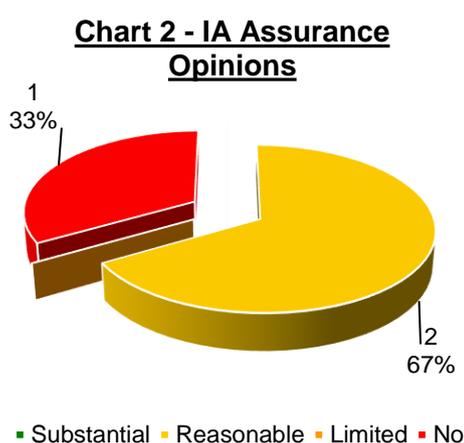


- 2.2 Work is now underway on all Quarter 3 planned work (refer to **Appendix A**). Progress has been good this quarter as the IA team have been working hard to return to business as usual following the major operational disruption caused by the Covid-19 pandemic. Further, our recruitment exercise has concluded successfully with strong candidates appointed to all vacant posts. This will help the team meet their strategic objectives including providing increased assurance coverage to our stakeholders.
- 2.3 Key assurance review finalised in this period include **Tree Inspections** which received **NO** assurance, **Starting and Terminating a Tenancy** and **Property Acquisitions – Payment Process** both of which received **REASONABLE** assurance opinions respectively over the management of key risks.
- 2.4 These results are in line with our expectations and the risk-based approach which we deploy. When deciding to undertake risk-based internal auditing (RBIA), it is important to understand the level of risk maturity within the organisation, and tailor the IA strategy to mirror and support the stages of the organisation. Specifically, IA resource has been targeted in the areas of the highest risk as part of an efficient IA assurance programme. **Positive action has been proposed by management** to address all of the **HIGH** and **MEDIUM** risk recommendations raised within each respective review and these recommendations will be followed-up by IA in due course.
- 2.5 The way in which follow-up work is carried out by the IA team was updated in Quarter 2 and the revised process was presented and approved by the Audit Committee at its meeting on 24th November 2020. Due to the process changes being agreed in late November progress with this work at 31st December was limited. As a result, a detailed breakdown of our work in this area will be presented to CMT and the Audit Committee next quarter.
- 2.6 In terms of the Quarter 3 IA operational plan, there has been one amendment and one deferral to the plan (refer to **Appendix B**). Further details of all IA work carried out in this period are summarised at section 3 of this report below.

3. Analysis of Internal Audit Activity

3.1 Assurance Work in Quarter 3

- 3.1.1 During this quarter, **4** assurance reviews (including **1** follow-up) have been completed to final report stage, **4** assurance reviews are at draft report stage, with a further **10** at testing stage.
- 3.1.2 All IA assurance reviews carried out in the financial year to date are individually listed at **Appendix A**, detailing the assurance levels achieved as well as providing an analysis of recommendations made (in accordance with the assurance level definitions and recommendation risk categories outlined at **Appendix E**). Assurance opinions provided and the associated IA recommendations raised are further summarised in the charts below:



3.1.3 This quarter the **Tree Inspections** review was awarded a **NO** assurance opinion where **4 HIGH** and **7 MEDIUM** risk recommendations were raised (refer to **Appendix A**). This review was commissioned by senior management who had concerns regarding inspections, maintenance and record keeping. IA found that these risks existed and also that the process for tree inspections was more reactive than proactive. Recommendations have been raised to build a strategy in this area so that the aforementioned risks are minimised and/ or eliminated. Positive action has been proposed by management to address all the **HIGH** and **MEDIUM** risk recommendations raised.

3.2 Consultancy Work in Quarter 3

3.2.1 No consultancy work took place this quarter, which is in line with our strategy to provide high challenge and high support by focusing IA resource on assurance reviews this year.

3.3 Grant Claim Verification Work in Quarter 3

3.3.1 During this quarter, IA has also assisted the Council in certifying **2** grant claims. As detailed at **Appendix A**, IA continues to carry out verification work on the **Troubled Families (TFs) Grant** as well as completing work on the **Disabled Facilities Grant (DFG)**.

3.3.2 As detailed at **Appendix A** the planned quarterly verification work on the **TFs Grant** progressed this quarter. IA tested a sample of TFs that have been identified as being 'turned around' by the Council's TFs Team. At the conclusion of our work we issued two IA memos in November 2020, covering the October and November period; the total number of families confirmed as 'turned around' by the Council in Quarter 3 was **115**.

3.3.3 The **DFG** provides a framework for local authorities to provide mandatory grants for housing adaptations for disabled people to enable them to live independently in their own homes. Our DFG certification work confirmed the expenditure incurred was in compliance with the grant conditions. As a result of our testing, we are pleased to state that the grant claim to the Ministry for Housing, Communities and Local Government (MHCLG) was signed off by the Chief Internal Auditor, prior to the 31st October deadline, with an unqualified opinion.

3.4 Follow-up of Previous Internal Audit Recommendations

3.4.1 Following Audit Committee's decision in November for greater assurance in this area of IA activity, it was agreed that IA will actively follow-up on all **HIGH** risk recommendations **within 2 weeks** after their implementation date and **MEDIUM** risks **within 4 weeks** after their implementation date. As a result, IA is amending this process so that the functionality to revise implementation dates is removed for risk owners and instead all requests for implementation extensions will go to the HIA for consideration. The HIA will then, in consultation with the relevant CMT Director, agree the most appropriate course of action.

3.4.2 The Quarter 4 IA Progress Report will include a table listing the numbers of **HIGH** and **MEDIUM** risk IA recommendations that have passed their implementation date and detail their current status. We will also **highlight the number of recommendations that have not been actioned in the agreed timescales** (where an extension has not been agreed) and provide the management explanation for that and the risk the Council is consequently still exposed to.

3.5 Other Internal Audit Work in Quarter 3

3.5.1 We continue to undertake a quarterly approach to IA planning to ensure emerging risks and new areas of concern are captured, particularly following the global Coronavirus pandemic and the risk this still places on the Authority. Over the last quarter we have undertaken our risk-based planning meetings, alongside operational and corporate risk register discussions due to the synergies between these two functions.

3.5.2 In October 2020, Hackney Council reported a serious cyber-attack which impacted on its services including planning applications, ordering and reporting (for e.g. noise nuisance, anti-social behaviour and waste collections) and payments. At the time of this progress report the matter was still under investigation. As a result of this news, IA liaised with the Head of ICT, who informed us that a review of IT security controls had been conducted, reported to CMT and no immediate concerns were found. ICT's risk management process and continued IA reviews will help manage risks and provide independent assurance in this area.

3.5.3 We have produced the detailed operational IA plan for Quarter 4 of 2020/21 (refer to **Appendix C**) in consultation with management. This quarterly planning cycle helps ensure that IA resources are directed in a more flexible, risk-based and targeted manner, maximising resources as well as benefiting our stakeholders.

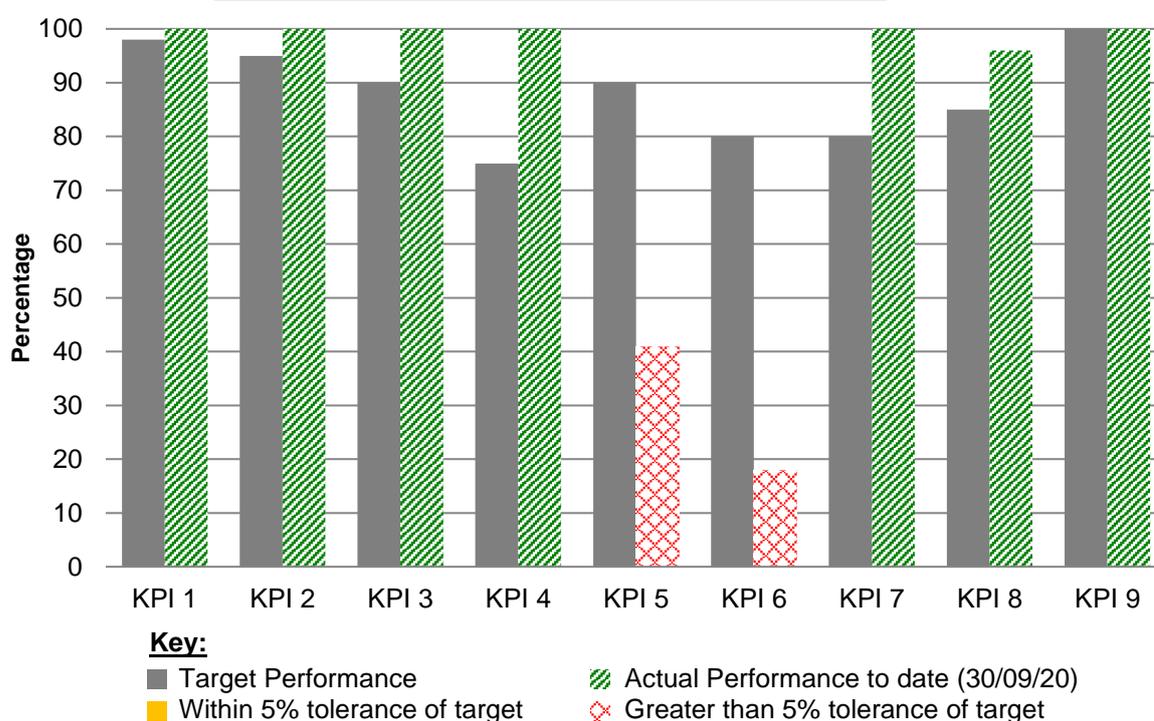
4. Analysis of Internal Audit Performance

4.1 IA Key Performance Indicators

4.1.1 The IA KPIs measure the quality, efficiency and effectiveness of the IA service. They assist IA and the Council in helping measure how successful IA has been in achieving its strategic and operational objectives. We believe that these KPIs (as detailed at **Appendix D**), are meaningful and provide challenge to the service. They measure the quality, efficiency and effectiveness of the IA service and thus assist us in providing an added value assurance and consulting service to our range of stakeholders.

4.1.2 Cumulative performance against the KPIs in the 1st April to 31st December 2020 period is summarised below:

Chart 4 - 2020/21 IA Key Performance Indicators



4.1.3 The following KPIs are below our performance target. They are:

- **KPI 5** shows that 7 assurance reviews (out of 17) have reached draft report stage as at 31st December 2020 which accounts for **41%** of work undertaken in Quarters 1 to 3 compared to the **90% target**; and
- **KPI 6** shows that 3 assurance reviews (out of 17) have reached final report stage at 31st December 2020 which accounts for **18%** of work undertaken in Quarters 1 to 3 compared to the **80% target**.

- 4.1.4 The drop in our performance is primarily due to the lack of IA work that was undertaken in Quarter 1 due to the Coronavirus. However, this drop in team performance against these two KPIs was anticipated and the HIA is confident that the IA KPIs performance will be back on track now that IA has returned to focussing on delivery of the IA Plan.

5. Forward Look

- 5.1 Looking ahead to Quarter 4, the **Coronavirus pandemic** continues to have a major impact globally and locally. As a result, Council services have had to adapt or in some cases radically change the way they operate. The consequences of this are significant changes to the Council's control environment including working to new processes and policies that are no longer practical or relevant and working remotely. It is against this backdrop that IA continues to revisit its **Audit Needs Analysis** which informed the Quarter 4 IA Plan attached at **Appendix C**.
- 5.2 Following a successful recruitment campaign, we will be welcoming **new IA staff** to the team in Quarter 4. These officers include a mixture of Senior and Internal Auditors recruited internally and externally. They will bring with them a stronger skills-mix which will allow the IA team to deliver more complex IA assurance work required in a timely manner, as well as the more robust process for follow-up of previous IA recommendations. The induction of new staff will be challenging against the backdrop of Covid-19 as non-essential staff are required to work remotely during lockdown. IA management have anticipated this and are planning an induction programme accordingly.
- 5.3 IA would like to take this opportunity to formally thank all staff throughout the Council with whom it had contact during Quarter 3, particularly during these challenging times. There are no other matters that the HIA needs to bring to the attention of the Council's CMT or Audit Committee at this time.

Sarah Hydrie CMIIA, CIA
Head of Internal Audit & Risk Assurance

4th January 2021

APPENDIX A**DETAILED INTERNAL AUDIT WORK UNDERTAKEN IN 2020/21**

Key:			
IA = Internal Audit	H = High Risk	M = Medium Risk	L = Low Risk
NP = Notable Practice	CFQ = Client Feedback Questionnaire	ToR = Terms of Reference	

2020/21 IA Assurance Reviews:

IA Ref.	IA Review Area	Status as at 31 st December 2020	Assurance Level	Risk Rating				CFQ Received?
				H	M	L	NP	
20-A2	Tree Inspections	Final report issued on 23 rd Oct 2020	No	4	3	1	0	✓
20-A1	Starting and Terminating a Tenancy	Final report issued on 5 th Oct 2020	Reasonable	0	3	2	2	✓
20-A5	Property Acquisitions – Payment Process	Final report issued on 23 rd Nov 2020	Reasonable	0	1	2	0	✓
20-A21	Children and Young People’s Service Pathway Plans	Draft report issued on 16 th Dec 2020						
20-A6	Estates – Lease Management	Draft report issued on 21 st Dec 2020						
20-A13	Reunification	Draft report issued on 22 nd Dec 2020						
20-A7	Remote Working	Draft report issued on 24 th Dec 2020						
20-A3	Cemeteries – Bereavement Service and Ground Maintenance	Draft report in progress						
20-A4	Homelessness	Draft report in progress						
20-A8	Covid-19 Emergency Assistance Grant	Testing in progress						
20-A10	Multi Agency Response to Risk	Testing in progress						
20-A11	Music Service – Invoicing and Debt Collection	Testing in progress						
20-A12	Education, Health & Care Plans and Local Offer	Testing in progress						
20-A14	Flooding – Lessons Learned	Testing in progress						

APPENDIX A (cont'd)**DETAILED INTERNAL AUDIT WORK UNDERTAKEN IN 2020/21****2020/21 IA Assurance Reviews:**

IA Ref.	IA Review Area	Status as at 31 st December 2020	Assurance Level	Risk Rating				CFQ Received?
				H	M	L	NP	
20-A15	Thematic Review of Purchasing and Payments in Schools	Testing in progress						
20-A16	Treasury Management	Testing in progress						
20-A22	Former Tenant Arrears	Testing in progress						
Total Number of IA Recommendations Raised				4	7	5	2	
Total % of IA Recommendations Raised				22%	39%	28%	11%	

APPENDIX A (cont'd)**DETAILED INTERNAL AUDIT WORK UNDERTAKEN IN 2020/21****2020/21 IA Follow-Up Reviews:**

IA Ref.	IA Follow-Up Review Area	Status as at 31 st December 2020	Recommendations					CFQ Received?
			Implemented	Partly Implemented	Not Implemented	+N/A	Total	
20-A19	Payment Process in New Years Green Lane	Memo issued on 10 th Dec 2020	7	3	1		11	✓
20-A17	Follow-up of implemented recommendations	Testing in progress						
20-A18	Early Years Centres	Testing in progress						
20-A20	Cyber Incident Management	Testing in progress						

+ IA follow-up work has concluded this recommendation is no longer applicable

2020/21 IA Consultancy Reviews:

IA Ref.	IA Review Area	Status as at 31 st December 2020	CFQ Received?
20-C2	Business Energy and Industrial Strategy – Fraud Risk Assessment	Advisory work concluded in Q1	N/A
20-C1	Xychro Solutions Limited	Memo issued on 19 th August 2020	✓
20-C3	Benefits Performance Indicators	Memo issued on 23 rd September 2020	✓

2020/21 IA Grant Claim Verification Reviews:

IA Ref.	IA Review Area	Status as at 31 st December 2020
20-GC2	Troubled Families Grant - Quarter 2	Certified, memos issued on 29 th Jul, 26 th Aug and 24 th Sep 2020
20-GC1	2019/20 Housing Benefit Subsidy Grant	Certified and memo issued on 21 st August 2020
20-GC3	Bus Service Operators Grant	Certified and memo issued on 1 st October 2020
20-GC5	2019/20 Disabled Facilities Capital Grant	Certified and memo issued on 30 th October 2020
20-GC4	Troubled Families Grant - Quarter 3	Certified, memos issued on 13 th Nov and 25 th Nov 2020

APPENDIX B**REVISIONS TO THE 2020/21 INTERNAL AUDIT PLAN ~ QUARTER 3****AMENDMENTS to the 2020/21 Operational IA Plan for Quarter 3:**

IA Ref.	Planned IA Review Area	Review Type	IA Risk Rating	Review Sponsor	Scope / Rationale
20-A8	Covid-19 Emergency Assistance Grant	Assurance	HIGH	Mike Talbot Director Corporate Resources & Services	In the 'Quarters 1 & 2 IA Progress Report' this review was originally entitled 'Covid-19 Equality Duty'. During the IA planning meeting with the Director, the scope of the audit was amended because the Assistance Grant proved to be a higher risk to the Council than Equality Duty work. As a result, the title and scope of this audit has been revised. The Terms of Reference for this review was agreed on the 23 rd December 2020 and testing is now underway.

IA work DEFERRED from the 2020/21 Operational IA Plan for Quarter 3:

IA Ref.	Planned IA Review Area	Review Type	IA Risk Rating	Review Sponsor	Scope / Rationale
20-A9	IT Governance	Assurance	HIGH	Perry Scott Director of Infrastructure, Procurement, Business Improvement, Communications, Waste Services & ICT	<p>The Head of ICT and the Director of Infrastructure, Procurement, Business Improvement, Communications, Waste Services & ICT requested that this review be deferred to Quarter 4. This is because the ICT team are working on several high-profile projects in Quarter 3 which are demanding their time. This work includes:</p> <ul style="list-style-type: none"> • Migration from Google to Microsoft and roll out of MS Office 365, Windows 10 and distribution of new devices to 2,800 users; • Migration of all shared files and Google files to MS Teams and SharePoint; • Move of VPN infrastructure to MS Azure; and • Public Services Network compliance audit being carried out in December 2020. <p>To accommodate the team and because other assurance and follow-up work is also underway in ICT, IA have agreed to commence this work in Quarter 4.</p>

APPENDIX C**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2020/21 ~ QUARTER 4****IA work scheduled to commence in the 1st January to 31st March 2021 period:**

IA Ref.	Planned Audit Area	Audit Type	Risk Assessment	Review Sponsor	Rationale
20-A23	Information Sharing - Adult Social Care	Assurance	HIGH	Tony Zaman Corporate Director, Social Care	The increasing emphasis on developing multi-agency integrated services in the public sector has highlighted the complexities involved in integrated working between organisations. IA aims to provide assurance that Adult Social Care has adequate information sharing protocols and processes in place, specifically in relation to financial assessment and support planning. The review will include practices in Social Care Direct, Brokerage and Finance and sharing agreements in place with care home providers, agencies and third parties.
20-A24	Housing Applications	Assurance	HIGH	Dan Kennedy Director of Housing, Environment, Education, Performance, Health & Wellbeing	The Council is responsible for carrying out a series of checks on every housing application prior to them being placed on the Housing Register. Housing applications are currently processed online and supporting documentation is submitted via post or in person, which may delay the assessment and allocation process affecting those with a high housing need. This audit will review compliance with the Council's policies and evaluate whether effective controls have been established and have been operating effectively throughout the review period.
20-A25	Anti-Social Behaviour and Environment Team (ASBET) Case Management	Assurance	HIGH	Dan Kennedy Director of Housing, Environment, Education, Performance, Health & Wellbeing	Anti-Social Behaviour (ASB) covers a wide range of incidents and is dealt with by several different agencies. Effective ASB case work underpins all activity aimed at reducing ASB, starting at the point of contact. IA will provide assurance that there are adequate procedures in place to identify, manage and resolve cases of ASB.
20-A26	Building Control	Assurance	HIGH	Perry Scott Director of Infrastructure, Procurement, Business Improvement, Communications, Waste Services & ICT	Following the tragic Grenfell Tower fire, the Communities Secretary announced an independent review of Building Regulations and Fire Safety. The review focussed specifically on issues related to high-rise residential buildings. The final report set out more than 50 recommendations for government on how to deliver a more robust regulatory system. This IA review will assess the Councils compliance with the new Building Regulations following the Hackitt Review.

APPENDIX C (cont'd)**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2020/21 ~ QUARTER 4****IA work scheduled to commence in the 1st January to 31st March 2021 period:**

IA Ref.	Planned Audit Area	Audit Type	Risk Assessment	Review Sponsor	Rationale
20-A27	Ofsted Readiness	Assurance	HIGH	Tony Zaman Corporate Director, Social Care	An Ofsted inspection provides an independent assessment of the quality of Children's Social Care provision. Regulation determines whether providers are fit to deliver services, and an enforcement action is taken against those that do not pass their Ofsted inspection. In preparation for the next inspection, which is anticipated to take place in Quarter 1 2021/22, IA will provide assurance on the readiness of the Service for an Ofsted inspection as well as demonstrating the Council's commitment to high standards of practice, management and leadership in the safeguarding of children and young people.
20-A28	Governance and Financial Management in Schools	Assurance	MEDIUM	Dan Kennedy Director of Housing, Environment, Education, Performance, Health & Wellbeing	The Schools Financial Value Standard (SFVS) was introduced by the Department for Education in September 2011. Governing bodies have formal responsibility for the financial management of their schools; therefore, this IA review will assess controls in place to ensure compliance with the SFVS and Council policy. IA will review the promotion of good governance, safeguarding of assets, financial monitoring and planning and assess what anti-fraud measures in place.
20-A29	Planning	Assurance	MEDIUM	Perry Scott Director of Infrastructure, Procurement, Business Improvement, Communications, Waste Services & ICT	For 10 years most minor planning applications received by the Council have been processed by TerraQuest. However, the Council's 10-year contract with TerraQuest is due to expire in May 2021 with a view to bring the planning services in-house. IA will assess the end-to-end processes undertaken by the Planning Team to ensure smooth transition of the service.
20-A30	Review of the Effectiveness of the Audit Committee	Assurance	MEDIUM	Mike Talbot Director Corporate Resources & Services	An effective and independent AC is a key element in the Council's corporate governance and risk management framework. An effective AC leads to improved internal control, risk management and financial reporting. It provides a forum for discussing key issues raised by IA and External Audit, working independently to provide assurance to the Council.

APPENDIX C (cont'd)**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2020/21 ~ QUARTER 4****IA work scheduled to commence in the 1st January to 31st March 2021 period:**

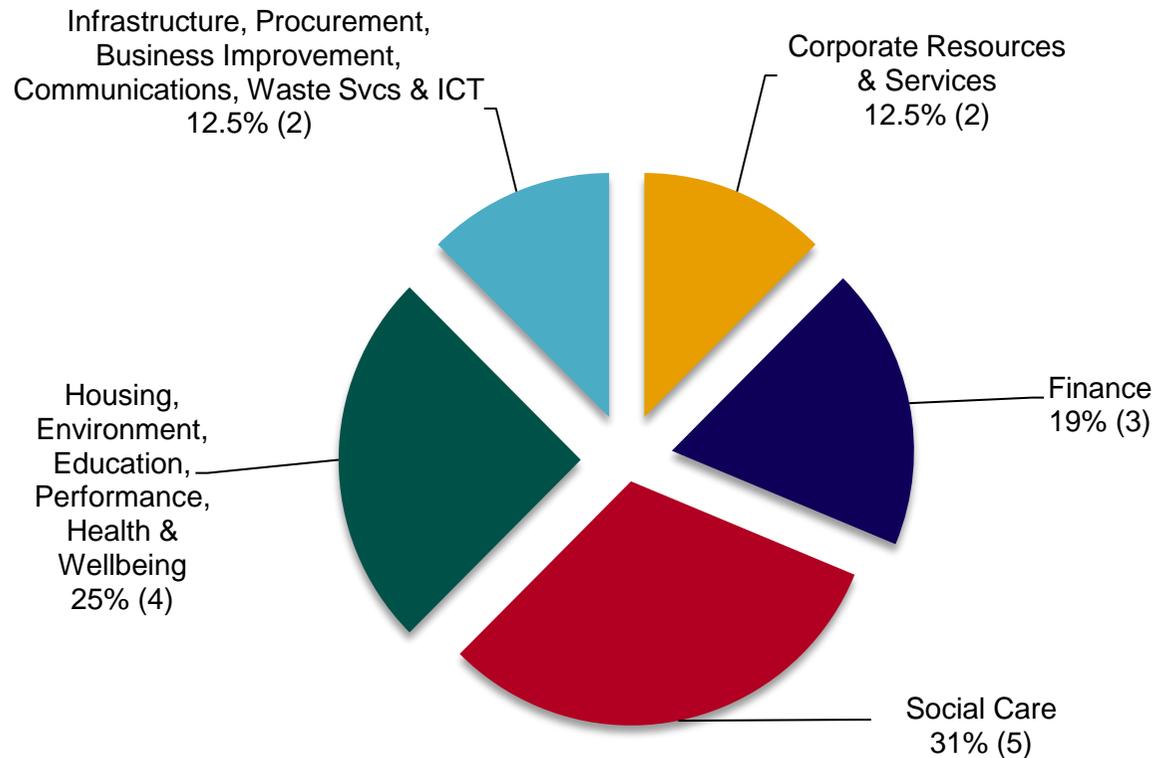
IA Ref.	Planned Audit Area	Audit Type	Risk Assessment	Review Sponsor	Rationale
20-A31	Exclusions or Education Cases for Vulnerable Young People	Assurance	MEDIUM	Dan Kennedy Director of Housing, Environment, Education, Performance, Health & Wellbeing	Local Authorities are responsible for arranging suitable education for permanently excluded pupils and for pupils who, because of illness or other reasons, would not receive suitable education without such arrangements being made. Local Authorities establish and maintain schools, or units, for educating pupils who cannot be educated in mainstream or special schools, which are referred to as Pupil Referral Units. This audit will focus on the processes in place for alternative school provision for permanently excluded pupils and evaluate the controls in place to educate these vulnerable young people.
20-A32	Queens Walk Resource Centre	Assurance	MEDIUM	Tony Zaman Corporate Director, Social Care	Queens Walk Resource Centre is a state-of-the-art facility offering a range of service from music therapy to interactive gaming for people with severe learning disabilities and complex needs. However, management have become aware that the Centre may have capacity for income generation in addition to the services provided by Adult Social Care. This review will provide assurance over the utilisation, use of space, staffing ratios for activities and the range of sessions and options available at the Centre.
20-C4	Mayor's Charity Accounts 2020/21	Consultancy	LOW	Paul Whaymand Corporate Director of Finance	The Mayor's Charity has been registered as a charitable trust in November 2015 and therefore is required to comply and operate within Charity Commission guidelines. The Council is currently preparing the accounts for the Mayor's Charity and IA has been asked to assist as part of this process. These accounts do not form part of the Council's finances so there would be no conflict in undertaking this review.
20-C5	Stores Stock Check 2020/21	Consultancy	LOW	Mike Talbot Director Corporate Resources & Services	IA provides independent oversight and verification of the 2020/21 year-end stock check performed at the end of March at Harlington Road Depot (HRD). This work is tentative and is dependent on national lockdown restrictions due to Covid-19. If lockdown is in place this work will be rescheduled.

APPENDIX C (cont'd)**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2020/21 ~ QUARTER 4****IA work scheduled to commence in the 1st January to 31st March 2021 period:**

IA Ref.	Planned Audit Area	Audit Type	Risk Assessment	Review Sponsor	Rationale
20-GC6	Troubled Families (TF) Grant - Quarter 4	Grant Claim	N/A	Tony Zaman Corporate Director, Social Care	The TF programme is a Central Government scheme under the MHCLG, with the stated objective of helping troubled families turn their lives around. The Council receives a payment by results from the MHCLG for each identified 'turned around' troubled family. As per the grant conditions, IA will undertake verification work to confirm identified TF have been 'turned around'.
20-GC7	Public Health England Capital Funding for Alcohol Treatment 2020/21	Grant Claim	N/A	Tony Zaman Corporate Director, Social Care	The Council was awarded £69,660 by Public Health England to assist with the welfare pathway for 'Street Homeless Dependent Drinkers'. The HIA and the CEO are required to certify the conditions of the grant have been complied with by March 2021.
20-GC8	Emergency Active Travel Fund Capital Grant 2020/21	Grant Claim	N/A	Paul Whaymand Corporate Director of Finance	The Council was awarded £100,000 by the Department for Transport to assist with the creation of an environment that is safe for both walking and cycling in our borough. The HIA and the CEO are required to certify the conditions of the grant have been complied with by March 2021.
20-GC9	Local Authority Covid-19 Test and Trace Service Support Grant 2020/21	Grant Claim	N/A	Paul Whaymand Corporate Director of Finance	The Council was awarded c£1.6m by the Department of Health and Social Care to support local authorities toward expenditure incurred lawfully or to be incurred in relation to the mitigation against and management of local outbreaks of Covid-19. The HIA and the CEO are required to certify the conditions of the grant have been complied with.

APPENDIX C (cont'd)**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2020/21 ~ QUARTER 4 (cont'd)**

IA work scheduled to commence in the 1st January to 31st March 2021 period – Analysis by Corporate Director:



- The relevant Audit Sponsor (Corporate Directors, Directors, Deputy Directors, Assistant Directors and Heads of Service) will be consulted regarding the exact timing of each individual IA review; and
- Where an IA review is deferred or cancelled within the quarter, the relevant Audit Sponsor will be asked to provide an alternative audit in their Directorate (Group).

APPENDIX D**INTERNAL AUDIT KEY PERFORMANCE INDICATORS**

KPI Ref.	Performance Measure	Target Performance	Actual Performance	RAG Status
KPI 1	2020/21 HIGH risk IA recommendations where positive management action is proposed	98%	100%	GREEN
KPI 2	2020/21 MEDIUM risk IA recommendations where positive management action is proposed	95%	100%	GREEN
KPI 3	2020/21 HIGH risk IA recommendations where management action is taken within agreed timescale	90%	100%	GREEN
KPI 4	2020/21 MEDIUM risk IA recommendations where management action is taken within agreed timescale	75%	100%	GREEN
KPI 5	Percentage of annual (Q1 to Q4) IA Plan delivered to draft report stage by 31 st March	90%	*41%	RED
KPI 6	Percentage of annual (Q1 to Q4) IA Plan delivered to final report stage by 31 st March	80%	*18%	RED
KPI 7	Percentage of draft reports issued as a final report within 15 working days	80%	100%	GREEN
KPI 8	Client Satisfaction Rating (from CFQs)	85%	96%	GREEN
KPI 9	IA work fully compliant with the UK PSIAS and IIA Code of Ethics	100%	100%	GREEN

Key for above:

- CFQs = Client Feedback Questionnaires.
- PSIAS = Public Sector Internal Audit Standards.
- IIA = Chartered Institute of Internal Auditors (UK).

Key for reporting on actual KPI performance:

- **RED** = currently this performance target is not being met (significantly [**>5%**] short of target performance).
- **AMBER** = currently not meeting this performance target (just short [**<5%**] of target performance).
- **GREEN** = currently meeting or exceeding this performance target
- * = actual performance as at 31st December 2020

APPENDIX E**INTERNAL AUDIT ASSURANCE LEVELS AND DEFINITIONS**

ASSURANCE LEVEL	DEFINITION
SUBSTANTIAL	There is a good level of assurance over the management of the key risks to the Council objectives. The control environment is robust with no major weaknesses in design or operation. There is positive assurance that objectives will be achieved.
REASONABLE	There is a reasonable level of assurance over the management of the key risks to the Council objectives. The control environment is in need of some improvement in either design or operation. There is a misalignment of the level of residual risk to the objectives and the designated risk appetite. There remains some risk that objectives will not be achieved.
LIMITED	There is a limited level of assurance over the management of the key risks to the Council objectives. The control environment has significant weaknesses in either design and/or operation. The level of residual risk to the objectives is not aligned to the relevant risk appetite. There is a significant risk that objectives will not be achieved.
NO	There is no assurance to be derived from the management of key risks to the Council objectives. There is an absence of several key elements of the control environment in design and/or operation. There are extensive improvements to be made. There is a substantial variance between the risk appetite and the residual risk to objectives. There is a high risk that objectives will not be achieved.

1. **Control Environment:** The control environment comprises the systems of governance, risk management and internal control. The key elements of the control environment include:
 - establishing and monitoring the achievement of the authority's objectives;
 - the facilitation of policy and decision-making;
 - ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded in the activity of the authority, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties;
 - ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness;
 - the financial management of the authority and the reporting of financial management; and
 - the performance management of the authority and the reporting of performance management.
2. **Risk Appetite:** The amount of risk that the Council is prepared to accept, tolerate, or be exposed to at any point in time.
3. **Residual Risk:** The risk remaining after management takes action to reduce the impact and likelihood of an adverse event, including control activities in responding to a risk.

APPENDIX E (cont'd)**INTERNAL AUDIT RECOMMENDATION RISK RATINGS AND DEFINITIONS**

RISK	DEFINITION
<p style="text-align: center;">HIGH ●</p>	<p>The recommendation relates to a significant threat or opportunity that impacts the Council's corporate objectives. The action required is to mitigate a substantial risk to the Council. In particular it has an impact on the Council's reputation, statutory compliance, finances or key corporate objectives. The risk requires senior management attention.</p>
<p style="text-align: center;">MEDIUM ●</p>	<p>The recommendation relates to a potentially significant threat or opportunity that impacts on either corporate or operational objectives. The action required is to mitigate a moderate level of risk to the Council. In particular an adverse impact on the Department's reputation, adherence to Council policy, the departmental budget or service plan objectives. The risk requires management attention.</p>
<p style="text-align: center;">LOW ●</p>	<p>The recommendation relates to a minor threat or opportunity that impacts on operational objectives. The action required is to mitigate a minor risk to the Council as a whole. This may be compliance with best practice or minimal impacts on the Service's reputation, adherence to local procedures, local budget or Section objectives. The risk may be tolerable in the medium term.</p>
<p style="text-align: center;">NOTABLE PRACTICE ●</p>	<p>The activity reflects current best management practice or is an innovative response to the management of risk within the Council. The practice should be shared with others.</p>