
Internal Audit Progress Update Report

Committee considering report: Governance and Ethics Committee on 25 November 2019

Portfolio Member: Councillor Howard Woollaston

Date Head of Service agreed report (for Corporate Board) 15 October 2019

Date Portfolio Member agreed report: 07 November 2019

Report Author: Julie Gillhespey - Audit Manager

Forward Plan Ref: GE3638

1. Purpose of the Report

- 1.1 To update the Committee on the outcome of Internal Audit work carried out during quarters one and two of 2019-20.
- 1.2 The Public Sector Internal Audit Standards (PSIAS), as adapted by CIPFA's "Local Government Application Note", require the Audit Manager to provide periodic updates to senior officers and members on performance against the Audit Plan. As stated in the Council's approved Internal Audit Charter quarterly updates are required to be presented to Committee. Due to the timing of the committee meetings the first update report provides an update for quarters one and two of the 2019/20 Audit Plan.
- 1.3 The periodic reports aim to provide a progress update against the work in the Audit Plan together with highlighting any emerging significant issues/risks that are of concern.

2. Recommendation

- 2.1 To note the content of the report.

3. Implications

- 3.1 **Financial:** None
- 3.2 **Policy:** None
- 3.3 **Personnel:** None
- 3.4 **Legal:** None
- 3.5 **Risk Management:** None
- 3.6 **Property:** None
- 3.7 **Other:** None

4. Other options considered

4.1 None, the PSIAS require periodic updates to be provided on progress Audit Plan.

Executive Summary

5. Introduction / Background

5.1 A summary of the Internal Audit work that is in progress is set out in Appendix C. Details of completed work is set out in Appendix D. The following table summarises the results of the audit work where an opinion was given.

Type	Very weak	Weak	Satisfactory	Well Controlled	Very Well Controlled
Key Financial Systems				1	
Other Systems		2	1	2	
Schools			2	1	

5.2 For this reporting period there were two central audits that had an opinion of weak. These were the Purchase of Adult Residential Care and S106 Agreements.

5.3 Key findings for the Weak opinions:-

(1) Purchase of Adult Residential Care:

- (a) The care placement procedures for social care workers / managers are not clear and there are weaknesses in the recording of the options identified and the rationale of the decision taken.
- (b) New care providers checks are not comprehensive / adequately recorded.
- (c) The details of the searches, options identified and the quotes obtained in relation to identifying suitable accommodation for MH /LD clients are not clearly recorded.

(2) S106 Agreements:

- (a) We are reliant on developers informing us when contributions are due rather than being pro-active with carrying out site visits.
- (b) There were a number of agreements where progress had not been effectively monitored.
- (c) There is no governance group / body with specific responsibilities for overseeing the Developer Contributions fund.

5.4 There were two Follow-up reviews completed in the period, Implementation of the Property Database and the Asset Management Strategy/ Plan (the key areas of weakness for both audits were highlighted in previous update reports to Committee). Unfortunately, in both cases the Follow-up review concluded that unsatisfactory progress had been made to implement the agreed recommendations. The Follow-up documents are provided as a Part II item, to inform members of the detail of the Follow-up work and outcomes. The Follow-up documents will provide

members with the necessary information to be able to query with managers the lack of progress/their plans to improve the situation.

- 5.5 Under the Public Sector Internal Audit Standards (PSIAS) there is a requirement to have an external assessment of the internal audit service every five years. This was undertaken in May 2018. The resulting Action Plan formed the basis of a Quality Assurance and Improvement Programme (QAIP) for the team, an update on progress against the plan is set out at Appendix E.

6. Proposal

- 6.1 Note the results of the audit work carried out, and the progress made on implementing the Action Plan that resulted from the PSIAS assessment.

7. Conclusions

- 7.1 No significant/fundamental weaknesses were identified in the Council's internal control framework through the work carried out by Internal Audit during the first two quarters of 2019/20.
- 7.2 Good progress has been made on implementing the QAIP, with all but two areas being implemented. Work will continue to progress the outstanding points, with the aim to have them completed by the end of the financial year.

8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment – N/A
- 8.2 Appendix B – Equalities Impact Assessment – N/A
- 8.3 Appendix C – Completed Audit Work
- 8.4 Appendix D – Current Audit Work
- 8.5 Appendix E – Quality Assurance and Improvement Programme Update

Appendix A

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	
Service:	
Team:	
Lead Officer:	
Title of Project/System:	
Date of Assessment:	

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p><i>Note – sensitive personal data is described as “data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will you be processing data on a large scale?</p> <p><i>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</i></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will your project or system have a “social media” dimension?</p> <p><i>Note – will it have an interactive element which allows users to communicate directly with one another?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will any decisions be automated?</p> <p><i>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</i></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will your project/system involve CCTV or monitoring of an area accessible to the public?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will you be using the data you collect to match or cross-reference against another existing set of data?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will you be using any novel, or technologically advanced systems or processes?</p> <p><i>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</i></p>	<input type="checkbox"/>	<input type="checkbox"/>

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:	
Summary of relevant legislation:	
Does the proposed decision conflict with any of the Council’s key strategy priorities?	
Name of assessor:	
Date of assessment:	

Is this a:		Is this:	
Policy	Yes/No	New or proposed	Yes/No
Strategy	Yes/No	Already exists and is being reviewed	Yes/No
Function	Yes/No	Is changing	Yes/No
Service	Yes/No		

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	
Objectives:	
Outcomes:	
Benefits:	

2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.		
(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Further Comments relating to the item:		
3 Result		
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?		Yes/No
Please provide an explanation for your answer:		
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?		Yes/No
Please provide an explanation for your answer:		

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

4 Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name:

Date:

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.