

Cherwell and South Northamptonshire Councils

Internal Audit
Progress Report 2018/19

November 2018



1. Introduction

The purpose of the report is to update the committee on progress made in delivering the 2018/19 audit plan to the end of October 2018. The agreed joint internal audit plan for the 2018/19 year totals 327 days. Appendix A provides details of the audit assignments included in the 2018/19 year, and an update on progress where assignments have commenced.

2. Summary of reviews completed

Review	Key issues arising from audit	Assurance level
Cybersecurity – Follow up of PWC report	This follow-up review concluded that good progress has been made in implementing the 31 recommendations made in the 2016/17 internal audit report written by the Councils' previous internal auditors, PWC. Of the 31 recommendations made in the original report, 25 are now fully implemented, with progress made on a further four recommendations. Two recommendations remain outstanding. Action has been agreed with management to implement all of the remaining recommendations.	Significant

Review	Key issues arising from audit	Assurance level
Information Governance - GDPR	<p>This audit confirmed that the arrangements for GDPR as still in the process of being implemented. Key areas where further action is required are as follows:</p> <ul style="list-style-type: none"> Fully deliver the action plan and project plan emanating from the November 2017 GDPR Health Check review. The GDPR team should produce an updated risk register. Complete the Data Flow Mapping process and then produce a Data Sharing Policy. Produce Information Sharing Agreements for all third parties the Councils share personal data with. Develop and document a process to enable individuals to have inaccurate/incomplete personal data rectified. Create a policy and procedure to respond to Subject Access Requests. Consider including the Assistant DPO in business continuity planning. Review resources available to fully implement GDPR. 	Moderate

ICO key themes	Level of Assurance				
	Full	Significant	Moderate	Limited	No
1. Awareness			✓		
2. Information you hold			✓		
3. Communicating privacy information		✓			
4. Individuals' rights			✓		
5. Subject access requests			✓		
6. Legal basis for processing personal data			✓		
7. Consent		✓			
8. Children	✓				
9. Data breaches		✓			
10. Data Protection by Design and Data Protection Impact Assessments		✓			
11. Data Protection Officers			✓		
12. International	✓				

Review	Key issues arising from audit	Level of assurance
Health & Safety	<p>This audit has confirmed that the proposed Occupational Health, Safety and Wellbeing arrangements will, if properly implemented, provide an effective control environment in which the Councils can deliver their statutory health and safety duties. Our review has identified some areas where further improvements to the proposed system may be achieved. Recommendations have been made to:</p> <ul style="list-style-type: none"> • Consider adding an assessment of risk to the proposed Directorate plans. • Consider using a system for documenting risk assessments which enables aggregating of assessments for efficient Directorate and Corporate reviews of risk, mitigating actions, and residual risk level. Such a system should also allow aggregated Directorate review and integration with the Strategic Risk Register. • Ensure that clear reporting arrangements are put in place and that Corporate Health, Safety and Wellbeing targets are set, monitored and reported. 	Significant

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
There is an approved and legally compliant policy and guidance / arrangements setting out requirements for managers regarding the management of Health and Safety.		✓			
Health & Safety risk assessments are undertaken and controls are in place to address these risks, including relevant risks identified in the Leadership Risk Register.		✓			
Incidents are appropriately reported and opportunities taken to learn lessons.		✓			
Systems to ensure and report on compliance with relevant legislation and good practice are embedded throughout the Councils and managers are fully aware of their roles and responsibilities with regard to health, safety and wellbeing, including relevant training where applicable.		✓			

Review	Key issues arising from audit	Level of assurance
Legal Compliance	This audit confirmed that arrangements for ensuring that appropriate action is taken in respect of new and/or amended legislation that pertains to services delivered by the Councils are operating effectively. One recommendation was made to strengthen the trail to demonstrate that all legislative changes that could impact on the Councils are identified and acted on.	Significant

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
Arrangements are in place to identify new and amended statutory duties, powers and legal requirements on the Council.		✓			
Arrangements ensure that suitable changes are made to policies and practices to reflect such new or amended duties, powers or requirements.	✓				
All new policies and or changes to existing policies as a result of new and amended statutory duties, powers and legal requirements on the Council, and reports to committee are subject to due diligence by the Head of Law and Governance (the Monitoring Officer) before committee approval.	✓				
Management and members have suitable assurance of ongoing corporate compliance with legal requirements.		✓			
Officers with relevant statutory roles (e.g. Monitoring Officer) and other legal responsibilities are provided with sufficient time, support and resource to ensure effective delivery of their roles.	✓				

Review	Key issues arising from audit	Assurance level
Homes England Grant	Homes England Compliance Audit Programme completed and submitted in respect of grant received for Care & Support Specialist Housing in Bicester (St Edbergs Scheme).	N/A

Review	Key issues arising from audit	Assurance level
Disabled Facilities Grant	Testing completed to confirm that the conditions set by NCC and OCC for SNC and CDC respectively for the 17/18 Disabled Facilities Grant have been met.	N/A

3. Recommendation tracking

The current status of all recommendations due for implementation by the 30th September 2018, including recommendations raised by the Councils' previous internal auditors, PWC, is summarised as follows:

Recommendations due for implementation by 30 th September 2018				
Priority*	Number	Implemented or Closed	Ongoing	Pending
1	0	0	0	0
2	23	21	2	0
3	34	32	2	0
4	34	33	1	0
Totals	91	86	5	0

*Level 1 is the highest level of risk we attach to a recommendation.

Ongoing Level 2 Recommendations			
Subject	Original target date	Revised target	Latest update
Revised policy/procedures for debt recovery.	30/6/18	30/11/18	Policy currently in draft.
More robust procedures for recovery action to be taken in respect of debts that are more than 28 days old.	20/4/18	10/12/18	Forms part of the sundry debtors review that is currently underway.

Appendix A - 2018/19 Internal audit plan

Area	Audit Assignment	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance Level
Corporate Governance & Systems	Cybersecurity		✓			Final report	Significant
	Information Governance - GDPR		✓			Final report	Moderate
	Information Technology - IT Disaster Recovery		✓			Scope agreed, delay requested	
	Business Continuity Management		✓			Scope agreed, delay requested	
	Corporate Health & Safety		✓			Final report	Significant
	Procurement & Contract Management		✓	✓		Fieldwork ongoing	
	Human Resources - Recruitment		✓	✓		Fieldwork ongoing	
	Partnership working				✓		
	Project Assurance				✓		
	Legal compliance	✓	✓			Final report	Significant
Financial Assurance	Medium Term Financial Planning/Financial Resilience			✓		Fieldwork ongoing	
	Budget management and reporting			✓		Fieldwork ongoing	
	Capital Programme & Project Management		✓			Fieldwork ongoing	
	Payroll				✓		
	Finance Systems			✓		Fieldwork ongoing	
	Revenues & Benefits			✓		Scope agreed	
	Homes England Grant Certification*		✓			Audit Compliance Checklist submitted.	N/A
	DFG certification – CDC and SNC		✓			Certifications provided for both Councils	N/A
Operational Assurance	To be agreed - reviews to provide topical assurance on key operational areas on a risk-assessed basis				✓		

*Funded from contingency days