



HARBOROUGH DISTRICT COUNCIL

**INTERNAL AUDIT ANNUAL REPORT
2018/19**



1. Background

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the Head of Internal Audit to provide an annual Internal Audit opinion and supporting report that can be used by the organisation to inform its governance statement.
- 1.2 The Standards specify that the annual report must contain:
- an Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment);
 - a summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
 - a statement on the extent of conformance with the Standards including progress against the improvement plan resulting from any external assessments.

2. Head of Internal Audit Opinion 2018/19

- 2.1 This report provides a summary of the work carried out by the Internal Audit service at Harborough District Council during the financial year 2018/19 and the results of these assignments. Based upon the work undertaken during the year, the Head of Internal Audit's overall opinion on the Council's system of internal control is that:

It is my opinion that **Satisfactory Assurance** can be given over the adequacy and effectiveness of the Council's control environment operating for 2018/19. This control environment comprises of the system of internal control, governance arrangements and risk management. This remains consistent with the opinions given in recent years.

Controls relating to the key financial systems which were reviewed during the year were concluded to be generally operating effectively, with an opinion of Substantial Assurance given over the adequacy and compliance with the key controls tested.

For the audits completed in 2018/19, all opinions given in relation to the control environment and compliance have been of at least Satisfactory Assurance, with an increase in Substantial Assurance opinions from 2017/18. Progress made by management in implementing the actions arising from 2018/19 audit reports has been reasonable, with 90% of the high and medium priority actions due for implementation being completed during the year.

Internal Audit has not been made aware of any further governance, risk or internal control issues which would reduce the above opinion. No systems of controls can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

- 2.2 The basis for this opinion is derived from an assessment of the range of individual opinions arising from assignments within the risk-based Internal Audit plan that have been undertaken throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing any control weaknesses and has acknowledged any gaps in assurances. A summary of Audit opinions is shown in Table 1.

Table 1 – Summary of audit opinions 2018/19:

Area	Substantial	Good	Satisfactory	Limited	No
Financial	2	-	-	-	-
Governance & Counter Fraud	-	5	1	-	-
Corporate & Cross Cutting	1	2	1	-	-
Delivery of Corporate Objectives	3	3	2	-	-
Total	6	10	4	0	0
Summary	30%	50%	20%	0%	0%
2017/18 outcomes – for comparison	17%	28%	50%	5%	0%

3. Review of Audit Coverage

Audit opinion on individual audits

- 3.1 The Committee is reminded that the following assurance opinions have been assigned during 2018/19:

Table 2 – Assurance categories:

Level of Assurance	Definition
Substantial	There are minimal control weaknesses that present very low risk to the control environment. The control environment has substantially operated as intended with either no, or only minor, errors detected.
Good	There are minor control weaknesses that present low risk to the control environment. The control environment has largely operated as intended although some errors have been detected.
Satisfactory	There are some control weaknesses that present a medium risk to the control environment. The control environment has mainly operated as intended although errors have been detected.
Limited	There are significant control weaknesses that present a high risk to the control environment. The control environment has not operated as intended. Significant errors have been detected.

Level of Assurance	Definition
No	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment. The control environment has fundamentally broken down and is open to significant error or abuse.

3.2 Audit reports issued in 2018/19, other than those relating to consultancy support, resulted in the provision of one of the above audit opinions. All individual reports represented in this Annual Report are final reports and, as such, the findings have been agreed with management, together with the accompanying action plans.

Summary of Audit Work

3.3 Table 3 details the assurance levels resulting from all audits undertaken in 2018/19 and the date of the Committee meeting at which a summary of the report was presented.

Table 3 – Summary of Audit Opinions 2018/19:

Audit Area	Design of Control Environment	Compliance	Organisational Impact	Committee Date
Financial				
Financial System Key Controls	Substantial assurance	Substantial assurance	Minor	July 2019
Governance & Counter Fraud				
Constitution & Scheme of delegation	Satisfactory assurance	Good assurance	Minor	July 2019
General Data Protection Regulation (GDPR)	Good assurance	Good assurance	Minor	March 2019
Procurement compliance	Good assurance	Good assurance	Minor	July 2019
Corporate & Cross Cutting				
Business continuity	Substantial assurance	Good assurance	Minor	July 2019
Cash handling	Good assurance	Satisfactory assurance	Minor	March 2019

Audit Area	Design of Control Environment	Compliance	Organisational Impact	Committee Date
Delivery of Corporate Objectives				
Environmental services contract	Good assurance	Good assurance	Minor	July 2019
Absence management	Satisfactory assurance	Satisfactory assurance	Minor	March 2019
DBS checks	Substantial assurance	Good assurance	Minor	September 2018
Grow on space (embedded assurance stage 1)	Substantial assurance	Substantial assurance	Minor	November 2018

3.4 Outlined in Appendix 1 is a summary of each of the audits finalised during the year. The Committee should note that the majority of these findings have previously been reported as part of the defined cycle of progress update reports provided to the Governance and Audit Committee.

3.5 As noted, the audit of Cyber Security and Disaster Recovery is yet to be delivered at the time of reporting, following management request to defer this fieldwork. As such, an assurance opinion cannot be given by Internal Audit in relation to this area and this affects the overall assurance opinion for 2018/19. It is also noted that an audit recommendation from 2012/13 remains overdue in relation to IT systems recovery. It is understood that work is underway within the Council in this area and Internal Audit are engaged with the IT service to complete the audit in 2019.

Implementation of Internal Audit Recommendations

3.6 Internal Audit follow up on progress made against all recommendations arising from completed assignments to ensure that they have been fully and promptly implemented. Internal Audit trace follow up action on a monthly basis and provide a summary to the Governance and Audit Committee.

3.7 It is noted that only 35 audit recommendations were made during 2018/19 in comparison with a total of 60 recommendations made during 2017/18. Again, reflecting an improvement in the control environments compared with those reviewed in the previous year.

3.8 Details of the implementation rate for audit recommendations made during 2018/19 are provided in Table 4.

Table 4 - Implementation of audit recommendations from 2018/19 reports:

	Category 'High' recommendations	Category 'Medium' recommendations	Category 'Low' recommendations	Total
Agreed and implemented	2	8	5	15 (43%)
Agreed and not yet due for implementation	3	7	5	15 (43%)
Agreed and due within last 3 months, but not implemented	1	-	1	2 (6%)
Agreed and due over 3 months ago, but not implemented	-	-	3	3 (8%)
TOTAL	6	15	14	35 (100%)

3.9 A summary of 'high' and 'medium' overdue recommendations is shown in Table 5. This includes two further recommendations which remain overdue from previous years:

Table 5 - Summary of Overdue Recommendations as at 31st March 2019

Audit Title	Audit Year	High		Medium	
		Over 3 months overdue	Under 3 months overdue	Over 3 months overdue	Under 3 months overdue
Absence Management	2018/19	-	1	-	-
Information Management	2013/14	-	-	1	-
Business Continuity	2012/13	1	-	-	1
Totals		1	1	1	1

3.10 The level of implementation is reported to the Governance and Audit Committee throughout the year and monitoring of outstanding recommendations remains ongoing.

Other sources of assurance

3.11 In forming an opinion on the control environment for 2018/19, other sources of assurance have been considered, where appropriate. This has included:

- The Council has delegated the collection of council tax and business rates and the administration of housing benefits to the Leicestershire Revenues and Benefits Partnership led by Hinckley and Bosworth Borough Council. A copy of the final internal audit report on the partnership's controls for 2018/19 has been shared with LGSS. The report provided for 2018/19 was limited to coverage of debt recovery and business rates. In relation to the areas tested, the auditors had concluded that there were 'only minor weaknesses in risk management activities and controls' and only low level recommendations were made for improvement.

4. Internal Audit performance

Internal Audit Contribution

4.1 It is important that Internal Audit demonstrates its value to the organisation. The service provides assurance to management and members via its programme of work and also offers support, advice and insight to assist the Council in new areas of work or to pro-actively review and improve the control framework.

Delivery of 2018/19 Audit Plan

4.2 The team has delivered **100%** of the agreed audit assignments within the Audit Plan for 2018/19. This does not include the planned audit of Cyber Security and Disaster Recovery which has been delayed at the request of management – pending the Council's ongoing work in this area. The outcome of this assignment will be reported in 2019/20.

Internal Audit Contribution in Wider Areas

4.3 Key additional areas of Internal Audit contribution to the Council in 2018/19 are set out in Table 7:

Table 7 – Internal Audit Contribution

Area of Activity	Benefit to the Council
Maintaining good working relationships with External Audit to ensure most effective coverage and avoiding duplication if possible.	Reduce audit burden, saving costs.
Assisting in the drafting of a suite of revised counter fraud policies and a new Code of Corporate Governance.	To ensure the Council's governance arrangements are robust and consistent with best practice.

Area of Activity	Benefit to the Council
Delivering an all staff training session on the Bribery Act and revised counter fraud policies.	Embedding awareness of key controls in relation to fraud and corruption and ensuring staff are alert to the risks.
Facilitating a fraud awareness week campaign in November 2018.	Raising the awareness of staff in relation to fraud risks and embedding a zero tolerance culture to fraud and corruption.
Sharing of best practice and solutions adopted at other authorities.	Benefit from insight into tried and tested solution and good practice examples to strengthen controls and efficiencies.
Presence at Harborough District Council offices.	Assistance with ad-hoc queries, building working relationships and raising the profile of Internal Audit.
Acting as a point of contact for whistleblowing referrals.	Providing an independent point of contact for reporting concerns and providing a professional investigation service at short notice when required, to ensure concerns are dealt with in accordance with best practice and suitably logged.
Supporting and advising upon fact-finding investigations, as required.	Sharing of knowledge of good practice and independent insight and challenge.

Performance Indicators

- 4.4 Internal Audit maintains several key performance indicators (KPIs) to enable ongoing monitoring by senior management and the Governance and Audit Committee. Outturns against these indicators in relation to work delivered for Harborough District Council are provided in Table 8:

Table 8 – Internal Audit KPIs 2018/19

Indicator description	Target	Actual
Delivery of the agreed annual Internal Audit Plan	100%	100%*
Delivery of the agreed annual Internal Audit Plan by end of March 2019	90%	100%*

Customer Feedback – rating on a scale of 1 to 4 (average) – where: 4 = Outstanding, 3 = Good, 2 = Satisfactory and 1 = Poor).	3.1	3.2
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* excluding one assignment, delayed at management request

5. Professional Standards

5.1 The Public Sector Internal Audit Standards (PSIAS) were adopted by the Chartered Institute of Public Finance and Accountancy (CIPFA) from April 2013 and were further updated in March 2017. The standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of Internal Audit across the public sector.

5.2 The objectives of the PSIAS are to:

- Define the nature of internal auditing within the UK public sector;
- Set basic principles for carrying out internal audit in the UK public sector;
- Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
- Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

5.3 A detailed self-assessment against the latest PSIAS has been completed by the Head of Internal Audit, a copy of which can be provided as required. The outcome of the assessment was that the Internal Audit service is operating in general conformance with the Standards.

6. Whistleblowing

6.1 In March 2019, the Council adopted a revised Whistleblowing policy. The review of this key policy was intended to ensure consistency with good practice and to provide a clear route for individuals to raise concerns in confidence.

6.2 As part of the revised policy it was agreed that the Head of Internal Audit would report upon any trends in referrals and the effectiveness of the new policy. Given this policy was adopted at the end of the financial year, there is limited evidence available of the effectiveness of the revised policy at this point but this will be monitored and reported upon in 2019/20. At the time of reporting, the Head of Internal Audit is aware of one referral received during March 2019 under the policy and this is subject to further enquiry and investigation.

Appendix 1: Summary of Internal Audit Work Undertaken for 2018/19

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
Financial systems key controls	Substantial assurance	Substantial assurance	Minor	<p>To provide assurance over key controls related to the following risk areas:</p> <ul style="list-style-type: none"> • Bank mandate fraud; • Treasury management practices; • Income recovery; and • Suspense accounts. 	<p>Robust procedures exist for changes to supplier bank details and staff have received fraud awareness training during this financial year. Sample testing of changes to supplier bank details identified that whilst the majority of key controls had operated as intended, some areas for improvement remained with regards to record-keeping arrangements.</p> <p>Roles and responsibilities in relation to treasury management had been clearly defined and an approved counterparty list existed to provide information with regards to approved institutions and the maximum amount and period of investments. Robust record-keeping arrangements were in place for all treasury management investment activities and sample testing identified that key controls had been exercised in all cases tested. The investment return for 2018/19 was just under £188k as at 27/01/2019, a favourable variance of 49% when compared to the original budget.</p> <p>A corporate debt policy and various documented operational procedure notes were available to the relevant staff.</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					Sample testing of setting up new customers, raising invoices / credit notes, debtor income, debt recovery / write-off, debtor reconciliations, PI reporting and suspense / holding accounts identified that key controls had operated as intended in the majority of cases tested. It was noted that controls could be strengthened with regards to the time taken to resolve disputed invoices.
Governance & Counter Fraud					
Constitution and Scheme of Delegation	Satisfactory assurance	Good assurance	Minor	To provide assurance that the Council's Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that the Council's operations are efficient, transparent and accountable. The Scheme of Delegation should explain who can take which decisions on behalf of the Council.	<p>In 2018 a number of recommendations from the Constitutional Review Committee were formally approved by Council. This followed the last substantial review of the Constitution, which concluded in 2016, and had involved Member engagement and input from senior legal professionals. Based on discussions with the Monitoring Officer, there was found to be scope to formalise the Constitutional review process to enable ongoing maintenance and review to be aligned to the meetings of the Constitutional Review Committee.</p> <p>Some sections of the Constitution required substantial amendment to fully reflect current staffing structures and clarify delegations – in particular the Financial Procedure Rules require urgent review. Internal Audit have shared good practice examples of documentation</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					adopted at comparable authorities for information and to inform decision making on future constitutional review. These are due to be updated in Autumn 2019.
General Data Protection Regulation (GDPR)	Good assurance	Good assurance	Minor	The General Data Protection Regulation (GDPR) came into force on 25 th May 2018 and together with the Data Protection Act 2018 replaces former legislation on data protection. Whilst many of the GDPR's main concepts and principles are consistent with those detailed within the former Data Protection Act 1998, the GDPR does include new elements and significant enhancements, with greater emphasis on the documentation that data controllers must keep to demonstrate their accountability.	<p>The Council has undertaken an information audit to determine what personal data is held and how it is processed; such information is detailed within the Council's information asset register. Whilst some of the relevant cells within the information asset register were yet to be populated, it was understood that departmental compliance audits were underway to resolve such issues. Policies in relation to GDPR were available to all staff, it was however noted, that the policies had not yet been formally approved at committee level. Whilst ICT security policies are also available to all staff these had not been subject to recent review.</p> <p>The Council's privacy notices were clear and concise and included matters in relation to the Council's lawful basis for processing data; some areas for improvement were identified with regards to the processing of special category data. Matters in relation to consent had been detailed within the Council's privacy notice and information asset register, and it was understood that a further review of existing consents and consent</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
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					<p>mechanisms was underway to determine whether they met the GDPR standard.</p> <p>Robust systems and procedures exist to respond to subject access requests within the agreed timescales, and to detect, report and investigate a personal data breach. Sample testing identified 100% compliance with key controls in both areas.</p> <p>The Council's Information Governance Officer and designated Data Protection Officer is suitably skilled and experienced and robust arrangements exist with regards to the provision of advice and compliance monitoring. A review identified that whilst 98% of staff had completed the mandatory online GDPR training, only 22% of Members attended the GDPR training session which was held on 15th May 2018. In addition, whilst the Council and Electoral Registration Officer were registered with the Information Commissioner's Office (ICO), it was noted that 76% of Members were not registered at the time of reporting.</p>
Procurement compliance	Good assurance	Good assurance	Minor	The Council's Contract Standing Orders (CSOs) are designed to ensure probity and value for money when procuring goods, works or services that meet the	The Council revised its SORP in February 2018 and the latest version of the SORP was found to be published on the Council's website at the time of the audit review. It is understood that following review of the SORP in

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
				<p>needs of local residents and comply with legal and regulatory requirements. This audit was carried out to provide assurance over compliance with the Council's CSOs to ensure contracts are procured in a fair and transparent manner and achieve value for money.</p>	<p>February 2018 the Commissioning Service Manager arranged training sessions for key members of staff involved in the procurement process.</p> <p>A sample of procurements completed in the last two years was reviewed to ensure compliance with the relevant SORP requirements at the time of the procurement, noting that the SORP was updated during this period. Testing confirmed that controls had been exercised to achieve and evidence value for money. However, the audit also identified opportunities to further enhance the audit trail and improve evidence of compliance with SORP requirements such as use of forms to demonstrate authorisation to award the contract; approval of exemptions; and approval to use a framework contract.</p> <p>The contract register is published quarterly on the Council's website in accordance with the Local Government Transparency Code. Review of expenditure reports for 2018/19 identified three suppliers with spend of over £50k that were not recorded on the contracts register. All three suppliers received payments in previous financial years meaning that contract arrangements were not recent and had been in place for some time now. Officers were recommended to investigate these instances and update the contracts register if necessary.</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
Corporate & Cross Cutting					
Business Continuity Management	Substantial assurance	Good assurance	Minor	<p>The Civil Contingencies Act 2004 requires local authorities to maintain plans for preventing, controlling and taking appropriate action to manage emergencies. Business continuity is a management process that provides a framework to ensure the resilience of an organisation to any eventuality and to help ensure continuity of service to its key customers. It provides a basis for planning to ensure the organisation's ability to continue operations following a disruptive event. Successful business continuity arrangements help to minimise disruption from such incidents and reduce the time needed to minimise disruption from an incident. The Act also requires that as a Category 1 responder, the Council is charged with preparing appropriate plans to deal with a wide range of emergencies and this takes the form of an Emergency Plan.</p>	<p>The Council undertakes service area business impact analysis, which is collated and forms the corporate business impact analysis document. This is used to inform the production and development of the Crisis Management Plan and all associated business continuity documents. In recent years it is noted that pressures on resourcing within the ICT service had impacted upon the ability to conduct a full review of the Council's business impact analysis. A review was due to take place in 2019 to ensure these remain complete and fit for purpose in informing the key business continuity documentation.</p> <p>Review of the business continuity documents confirmed that they were clear, contained key information on activation and communication and detailed key roles and responsibilities. Internal Audit testing of a sample of mitigating controls confirmed that the majority were operating effectively, with two exceptions which have been fed back to management.</p> <p>Annual exercises take place which highlight any issues with, or areas for improvement within, business continuity documents. In order to strengthen controls, an action plan could be developed with assigned</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					members of staff and a timeframe to complete each action. This would ensure that the plans have been effectively updated and any non-compliance is highlighted and escalated appropriately. The Council has had one genuine incident in the last two years for which business continuity plans were activated. Whilst the incident was dealt with within a reasonable amount of time and procedures were amended slightly in light of lessons learnt, there is scope to strengthen upon future exercises by more effectively documenting such incidents and capturing those lessons learnt.
Cash handling	Good assurance	Satisfactory Assurance	Minor	To provide assurance over the key controls operating in relation to cash collection, receipting, storage, transport, banking and reconciliation.	<p>The Council discourages cash payments and has a Money Laundering Policy in place with a cash limit included, however the final version was not published on the intranet at the time of audit. Procedure notes for cash handling procedures were limited and staff awareness of the cash limit was low resulting in two instances of exceeding the cash limit in the last 12 months. Increased awareness in money laundering and cash limits would reduce the risk of further cases exceeding the limit.</p> <p>Controls for safe storage and prompt banking of Health and Wellbeing cash were limited at the time of audit. Although the sums involved are relatively small,</p>

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					<p>management should ensure that alternative methods of payment are investigated, and that appropriate controls are in place and working effectively.</p> <p>Appropriate procedures were found to be in place for all other cash handling arrangements and testing of a sample of transactions showed a full audit trail of timely transactions. Whilst the safes used appeared appropriate and are not in obvious locations, the keys required additional security to restrict access and further mitigate risk of theft or loss.</p> <p>Reconciliations for incoming cash are monitored through full bank reconciliations however reconciliation of car parking income to ticket machine records had not been recorded. Maintenance of these reconciliations will reduce risk of possible loss or theft of income, and identify any potentially suspicious trends. Petty cash reconciliations were found to be accurate and had no unbalanced items. Unannounced audit spot checking on petty cash floats found overages which should be banked to maintain accurate records.</p> <p>Post recording procedures for cash and cheques were inconsistent and for cash did not include recording income. Maintaining accurate cash income records and</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					consistently using controls for cash income will reduce the risk of loss, mishandling or theft. Internal post boxes had sometimes been used to submit cash to the Council. It was recommended that signs be posted next to internal post boxes stating cash should not be posted to discourage this use.
Delivery of Corporate Objectives					
Environmental services contract	Good assurance	Good assurance	Minor	To provide assurance over the management of this key contract and the controls operating to secure value for money and to mitigate potential risks, such as fraud and / or overpayment.	<p>Roles and responsibilities with regards to contract ownership / management are clearly defined and an appropriate structure exists to provide assurance that all operational activities associated with the contract are adequately resourced. Management recognise that the introduction of additional documented operational procedures will provide resilience in the event of any unexpected absence of key staff (business continuity).</p> <p>Payment processes are understood by all parties and sample testing identified that key controls had operated as intended in all cases tested. Robust budget monitoring arrangements exist and it is understood that a balanced budget should be achieved for the financial year. It is noted that Open Book Contract Management (OBCM) is available within the contractual terms but was not being utilised. This would provide an opportunity to seek further assurances over the contract costs and any opportunities for savings.</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					<p>A 'Revised and Restated Services Agreement' is held on file, it was however noted, that the relevant supporting schedules were not held on file in all cases. A number of Key Performance Indicators (KPIs) for the environmental services contract are reported via the TEN performance management system. There were some areas for potential improvement with regards to record-keeping arrangements for this performance information.</p> <p>Contract meetings are held on a regular basis in order to discuss and resolve operational / contract management issues in a timely manner. Management recognise that the introduction of a comprehensive action log would ensure that all agreed actions and timescales are monitored accordingly.</p>
Absence management	Satisfactory assurance	Satisfactory assurance	Minor	During the 2016/17 Internal Audit review of Absence Management, six recommendations were agreed by management in order to address the control weaknesses identified by the audit; and to positively improve the control environment and aid the Council in effectively managing its risks. This Internal Audit review in 2018/19 was	All agreed management actions had been implemented following the 2016/17 Internal Audit review of Absence Management. However, the Council encountered a number of issues during the implementation of the new HR and payroll system (SAFE) during 2017/18, one of which was in relation to the absence management functionality of MyView. As such, it is understood that sickness absence had been manually recorded by managers during 2017/18, whilst an absence reporting

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				intended to provide assurance on the implementation of the agreed management actions, along with the embedding of the improvements and the effectiveness of these in practice.	<p>reconciliation process and performance reporting did not take place during this period, as agreed with the Corporate Management Team (CMT).</p> <p>It is understood that whilst the absence management functionality of MyView has been available from April 2018, the absence reporting reconciliation process, which should agree all MyView entries to supporting documentation, such as return to work interview forms and fit notes, had not yet recommenced at the time of reporting; and sample testing identified that absence had not been consistently recorded in accordance with the requirements of the Attendance Management Policy and Procedure in all cases.</p> <p>Whilst trigger points are monitored by the HR Business Partners on a monthly basis to enable them to monitor the actions of individual managers, sample testing identified that a stage two trigger point had not been identified in one case, due to the omission of an absence reporting reconciliation process.</p> <p>It is understood that managers are supported by HR in accordance with the Attendance Management Policy and Procedure, and it was noted that an attendance management training session was scheduled to take place at the time of audit.</p>

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	Design	Compliance	Org Impact		
DBS checks	Substantial assurance	Good assurance	Minor	To provide assurance that appropriate use is made of disclosure and barring service checks for individuals who will be granted access to vulnerable people.	<p>Testing confirmed that new employees in posts that the Council had assessed as eligible for DBS checks had been subject to the appropriate checks before their start date and re-checks were being completed in accordance with Council policy. Whilst procedures were operating to ensure new posts were evaluated for DBS eligibility and a spreadsheet of DBS-eligible employees was maintained, there was no clear record of all posts in the establishment for which a DBS check applies. Such a record would assist the bi-annual review by HR and ensure that no posts are missed.</p> <p>Taxi licencing testing for new and renewed drivers' licences found that whilst some record keeping omissions were present, generally procedures were working as intended. Testing of Operators Licences found that previous DBS checks were being relied upon where a driver's licence had been issued to the same individual in the last 18 months, rather than requiring a new certificate for the operator application. It was recommended that this be amended to require up to date evidence on any application, given that such certification is specific to the date of issue.</p> <p>Whilst the Council complies with most key requirements of the DBS Code of Conduct, there was no</p>

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					<p>'suitability for ex-offenders for employment' policy which is required by the Code. Arrangements are in place for storage, retention and disposal of DBS data and the Council complies with the Data Protection legislation in this area. Whilst the Council continues to operate as a registered body, counter signatory information should also be checked with the DBS.</p> <p>The Council's leisure contract was found to contain adequate provision for DBS checks of contractor staff.</p>
Grow on space (embedded assurance stage 1)	Substantial assurance	Substantial assurance	Minor	To provide assurance over project management arrangements for the initiation stage of this key project.	<p>Based on interviews and review of project documentation it was Internal Audit's opinion that, despite some initial set-backs and delays associated with the acquisition of a suitable site and securing the necessary funding (the initial project mandate was approved in 2015), the project was being effectively managed and was on-course to deliver the expected outcomes within the approved budget and revised timetable.</p> <p>Nevertheless, the project remained at the early stages and sustained effort would be required to ensure that the project remains on track and that stringent ESIF grant conditions are complied with. Construction work was expected to commence soon together with development of the proposed operating model with a view to procuring a suitable managing agent and final handover</p>

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					in October 2019. This is a challenging timetable developed to meet funding conditions, although it is understood that some flexibility in the timetable may be possible.