



# Audit Committee Internal Audit Progress Report



## ***Contents***

- 3. Introduction and Internal Audit Overview
- 4. Executive Summaries from Internal Audit Reports
- 5. Executive summary – IT Governance and Asset Management
- 8. Executive summary – Recruitment
- 11. Executive summary – Development Management
- 13. Appendix A: Basis of our classifications
- 16. Appendix B: Progress on the 2017/18 internal audit plan
- 17. Appendix C: Internal audit performance against key performance indicators 2017/18



---

# ***Introduction and Internal Audit Overview***

## **Introduction**

This report presents a summary of the activities of Internal Audit for the period June to December 2017. It provides executive summaries for the three reports issued as final since the last meeting of the Audit Committee, one rated as medium and two rated as low risk.

Fieldwork is now complete for our quarter one and two reviews, with reports not presented today in draft, pending finalisation. Fieldwork is either underway or due to start imminently for the remaining reviews in our quarter three programme of work. Scoping activity has also commenced for our quarter four programme of work.

A verbal update regarding the follow-up enquiries we have made, to assess progress implementing actions stemming from our 2016/17 Highways PFI and Pan Development reviews, will be provided at the Audit Committee meeting. We will present a written update to the February 2018 meeting of the Audit Committee.

## **Planning for 2018/19**

Planning has commenced for our 2018/19 programme of reviews. Initial review of the Council's strategic and service risk registers and consultation meetings with senior management have now been completed and our draft Internal Audit Plan for 2018/19 will be presented to the next meeting of the Audit Committee, in February 2018.

## **Summary of performance against key performance indicators**

We have met the key performance indicators which were within internal audit's control in relation to providing a high quality internal audit service to the Council. We have received three completed customer surveys to date, awarding an average satisfaction score of 9.3.

Full details of performance against key performance indicators for 2017/18 can be found in Appendix C within this report.

---

## ***Executive Summaries from Internal Audit Reports***

In this Section we provide the executive summaries for the three reports issued as final since the Audit Committee last met in June 2017.

## Executive summary – IT Governance and Asset Management

Classification	Trend	By type			By scope area						
<div>Medium Risk</div>	<div>↔</div> <div>We have not previously carried out a review with an equivalent scope</div>		Control design	Operating effectiveness	Total		Critical	High	Medium	Low	Advisory
		Critical	0	0	0	IT Governance	0	0	1	1	0
		High	0	0	0	Policy, Roles and Responsibilities	0	0	0	1	0
		Medium	2	0	2	Processing & IT Asset Repository	0	0	2	0	0
		Low	3	0	3						
		Advisory	0	0	0						

### Summary of findings

This review covered two distinct areas of IT's responsibilities:

- *Governance*: ensuring that performance and risk management arrangements in place over IT services are in line with corporate expectations, reported to and monitored through mini service board meetings. The Council has an appropriate set of policies, covering for example its technical standards; these are easily available to staff, including through publication on the corporate intranet.
- *IT Assets*: ensuring the Council has documented its approach to managing IT assets, from acquisition to disposal; assets are managed in line with documented expectation.

Our review has not identified any major issues; both performance and risk are managed in line with the Council's expectations and we have confirmed with the corporate team responsible that IT's approach is satisfactory. IT's policy set was refreshed in January 2016 and follows a standard format, with all key areas covered, for example separate policies covering both hardware and software standards; we also note that all IT policies are published on the corporate intranet.

The main issue identified through our review is the limited set of performance indicators currently monitored and reported by IT. These are currently insufficient to give a broad enough view of how IT is performing. They also do not sufficiently measure the degree to which corporate objectives are supported by IT, for example promoting channel shift (from more expensive channels, for example face to face, to cheaper channels, such as online), a key aspiration for the Council. Our report also identifies a number of minor issues, which need to be addressed; we have grouped the results of our fieldwork as four findings, summarised below:

*Performance Management*: IT maintain performance indicators in the corporate template and comply with corporate reporting expectations. However, while more detailed reporting is monitored within the Service, IT only report corporately against two measures and no measures are reported upwards to the Corporate Management Team (CMT). As such, current arrangements do not sufficiently capture and report IT's performance nor do they provide sufficient corporate visibility of IT's performance.

---

This has already been recognised by the IT department, with a comprehensive analysis provided for our review as to how IT's performance could be better monitored and reported, including aligning with service users' needs and ITIL (IT Infrastructure Library – a widely used good practice framework). We were also informed that this is scheduled to be considered at the next Mini Service Board meeting within Resources, in September 2017. This should continue as planned, specifically with consideration given to ensuring that a range of mechanisms are used to monitor IT's performance with what the Council wants to achieve from its IT Service as the starting point. In addition to corporate reporting, providing performance information to specific groups of users, for example for applications used in different services and how IT's contribution to the Council's strategic objectives, such as channel shift and cost reductions, can be captured and reported should be considered.

We have raised this area as a **medium risk** finding.

*Surplus Asset Processing:* when IT assets are no longer required by a service they are returned to IT. IT will then either redeploy them elsewhere in the Council, donate them to third parties, break them up for spare parts or securely dispose of them. We identified a number of issues with the current design of the process, specifically: approval from the Head of ICT, prior to disposal, is not currently evidenced, guidance for staff is largely high level only, for example there is no detailed guidance as to which option should be pursued when an asset is returned to IT and the approach to documenting how returned assets are processed could be enhanced, for example by capturing this information in LANDesk or in a suitable spreadsheet; all of these issues need to be addressed.

To confirm that surplus assets are processed consistently we tested 25 disposals/redeployments out of 207 carried out since the 1st April 2017 and three out of five donations. Primarily our sample testing identified that information in the CMDB (Configuration Management Database) was not always updated in a sufficiently timely manner. More specifically there is a limited risk that machines could go missing from IT stores, potentially containing data and not be detected until the CMDB is updated from the disposal sheets – this is mitigated, both by the fact the IT stores are access controlled and by the fact that for most but not all disposals hard drives are wiped prior to disposal by IT. To fully address this risk IT should wipe hard drives in all instances, as soon as practicable after machines are received into IT stores. More generally staff should be reminded of the importance on updating information in the CMDB as soon as possible.

We have raised this area as a **medium risk** finding.

*Asset Management:* our sample testing of acquisitions (15 acquisitions out of 62 since the 1st January 2017) did not identify any issues. More widely, the initiative to fully populate the CMDB (Configuration Management Database – the system used to document the Council's IT assets) is progressing. A significant step towards this aspiration was the purchasing and deployment of the LANDesk client on all network connected computers. This enables computers to be located, queried regarding the software installed and usage to be monitored. We were informed that collating information centrally regarding software installed and licence usage from this tool is over 80% complete, with all Microsoft and Adobe software covered to date. More widely IT is planning to utilise the CMDB to store information regarding its contracts; this initiative should continue as planned. The aspiration should be to get to a point that the CMDB is as near 100% accurate as possible regarding the Council's IT assets. As work progresses the metrics stored for each asset category should be further developed, for example by adding the physical location of devices and mechanisms, ideally automated, implemented to investigate when assets cannot be 'discovered'.

We have raised this area as a **low risk** finding.

*Policy/Documentation:* the key IT policies (IT Standards, IT Hardware, IT Software and IT Disposals) were all reviewed and refreshed in January 2016. While we did not identify any issues with the content of these policies, they are all overdue review from January 2017. Although the policies identify that they are kept under 'continuous review', a formal review should be scheduled, with any changes made highlighted to service users within internal communications, for example through the Vine and Managers' Brief.

Regarding the detail of IT asset process documentation, all the key steps are documented. This is currently split between policies, job descriptions and information on the intranet – without reading all of this information the process is not easy to follow. Existing documentation should be supplemented by a flow chart, identifying each process step and who is responsible, as is already the case in other areas of the Council, for example Development Management.

We have raised this area as a **low risk** finding.

---



---

*Risk Management and Management Meetings:* IT maintain a risk register in the Council's corporate risk management system, JCAD Risk and comply with corporate reporting expectations. Our review of the risk register identified a number of issues:

- A redundant risk associated with ECM (Electronic Content Management) which needs to be removed.
- No controls documented to mitigate the risk associated with not maintaining PCI DSS (Payment Card Industry Data Security Standard) compliance, although a number of controls, for example penetration testing, are actually in place.
- A number of planned controls marked as 'ongoing' or with long lead times for completion, for example March 2018; these do not provide sufficient detail regarding how they are progressing and should be broken down into more granular actions, each with their own scheduled completion dates.

More widely, controls should be reviewed to ensure that a range of strategies are deployed to minimise the likelihood that risks will materialise, give early warning if they are likely to materialise and plan contingencies in the event that they do materialise.

Regarding IT's management meetings while minutes are maintained in MS OneNote, these are quite informal. The existing minutes should be supplemented by a simple action tracker, with ownership and due dates, to ensure that any matters arising are progressed and completed.

We have raised this area as a **low risk** finding.

---

## Executive summary – Recruitment

Classification	Trend	By type			By scope area						
<div>Low Risk</div>	<div><div></div><div>We have not previously carried out a review with an equivalent scope.</div></div>		Control design	Operating effectiveness	Total						
		Critical	0	0	0	0	Critical	High	Medium	Low	Advisory
		High	0	0	0	0	0	0	1	1	0
		Medium	1	0	1	1	0	0	0	1	0
		Low	3	0	3						
		Advisory	0	0	0						
Roles and Responsibilities						0	0	0	1	0	
Recruitment Process						0	0	1	1	0	
Oversight						0	0	0	1	0	

### Summary of findings

This review focussed on the Council's employee recruitment process, covering in summary:

- *Roles and Responsibilities*: confirming that these are clearly documented, in overarching policy and supporting guidance, which is sufficiently available to relevant staff.
- *Recruitment Process*: confirming that recruitments are consistently processed in a timely manner, with necessary evidence retained and employment checks, for example Disclosure and Baring Service (DBS), carried out as required.
- *Oversight*: confirming that appropriate performance management and oversight arrangements are in place.

The conclusion of our review is generally positive. The main issues we identified are a high initial error rate regarding information provided by service areas (eight out of 20 submissions were incorrect at the advertising stage and 14 at the starter stage), requiring repeated chasing by the HR Transactional Team and that the overarching policies are overdue review. However we do note that the process of revising and updating these policies is underway. We also identified minor issues in other areas; our fieldwork is documented in four detailed findings, summarised below:

*Sample Testing*: we tested 20 out of 159 recruitments carried out since the 1<sup>st</sup> April 2017. Our testing checked that: information is submitted fully and correctly by service areas, the HR Transactional Team respond to and process requests in a timely manner, required approvals are sought and evidenced, employment checks such as validating identify and qualifications are made and DBS checks are sought when required.

Our testing did not identify any significant issues with the timeliness or accuracy of the processing carried out by the HR Transactional Team, although the number of staff not entered on SAP in advance of start dates (11 out of 20) does warrant further investigation. We did identify that there are ongoing issues with the completeness and accuracy of information submitted by service areas. While the Team are addressing this by providing additional, focussed training and support as issues are identified, producing regular reports, covering accuracy, completeness and timeliness should also be considered. We also identified slight deviations from documented process (this is covered more fully in a subsequent finding) and that long standing system issues, for example regarding the lack of integration between SAP and electronic forms, necessitating rekeying information are still present. Regarding this last point, while it may not be possible to address this in the short term, it is important that it continues to be highlighted and is addressed as and when the opportunity becomes available. We also note that feedback from applicants regarding the 'recruitment experience' is not sought. This should be considered as part of starter on boarding, to identify potential enhancements to the recruitment process. Regarding unsuccessful applicants, while line managers who responded to our enquiries confirmed they had



---

arrangements to store this information and dispose of it after six months, this requirement should be reiterated and a level of sample checking implemented to confirm the adequacy of arrangements in place.

We have raised this area as a **medium risk** finding.

*Policies:* we were provided with the Safer Recruitment and Employment Screening policies and the Positive Recruitment Guidelines; collectively these documents set out the Council's overarching approach and requirements as to how recruitment should be managed. While much of the content is likely to still be fit for purpose, all of these documents need to be reviewed; the first two documents were due to be reviewed in 2016, the third in 2014. For context the process of reviewing these documents has already started and we were provided with a track changes copy of the Safer Recruitment Policy. This identifies a number of sensible changes, for example moving to requesting references later in the recruitment process, in line with current, accepted good practice.

Our review identified areas which need to be updated as part of this process, for example the 'Authorisation Panel', which is no longer meeting, is referenced. There were also a number of elements of current practice which need to be documented, for example covering how waivers to allow staff to start work prior to DBS checks being completed and references being received, ring fenced recruitments (normally covered under Organisational Change Policy, for example as a result of a restructure) and redeployments are all managed. We also note that there is overlap and minor inconsistencies between the documents – for clarity a checklist has to be completed for staff to start prior to DBS checks being completed, including the requirement that staff are always accompanied/shadowed until a satisfactory return is received. It is worth considering if they should be amalgamated into a single document, which would both remove the potential for inconsistencies and reduce the management overhead.

We have raised this area as a **low risk** finding.

*Detailed Documentation:* detailed documentation, both that used to support processing by the Team and the guidance provided to line managers, is generally of a good standard. We identified two minor issues with processing notes: four processing notes which had not been reviewed within the last 12 months and one processing note which contained the login details for a recruitment website. Processing notes which have not been reviewed in the last 12 months should be reviewed at the earliest opportunity, with ongoing annual reviews scheduled; the login details should be removed from the applicable processing note and stored securely.

We were provided with revised guidance, scheduled to be provided to line managers; this should be implemented as planned. As covered more fully elsewhere in this report, where there are deviations from documented processes, if these are confirmed as acceptable and policy is updated, processing notes will need to be updated accordingly.

We have raised this area as a **low risk** finding.

*Oversight:* we did not identify any significant issues with how risk and performance are managed within recruitment, while an effective regime of oversight meetings is in place to oversee performance and ensure that any issues are escalated as necessary for resolution.

We did identify three enhancements which should be progressed: 1) the performance indicator set should be refined, to ensure that service areas are aware of lead times necessary to support effective processing by the team; 2) the risk register should be reviewed, to ensure it sufficiently identifies and mitigates recruitment related risks and 3) reports should be shared with service areas highlighting where managers have failed to provide timely, accurate and complete information for recruitments; to help ensure these issues, where they exist, are addressed (as identified through our sample testing).

We have raised this area as a **low risk** finding.

---

## Executive summary – Development Management

Classification	Trend	By type			By scope area						
<div>Low Risk</div>	<div>↑</div> <div>Last reviewed in 2015/16; rated as medium risk</div>		Control design	Operating effectiveness	Total		Critical	High	Medium	Low	Advisory
		Critical	0	0	0	Documentation	0	0	0	0	0
		High	0	0	0	Processing	0	0	1	1	0
		Medium	1	0	1	Financial Control & Budgeting/Fees	0	0	0	1	0
		Low	2	0	2						
		Advisory	0	0	0						

### Summary of findings

This review focussed on the Council's development management arrangements, covering:

- *Documentation*: confirming that roles and responsibilities are clearly defined; up to date processing notes are in place; and sufficient information is easily available to members of the public and others who need to submit planning applications or otherwise engage with development management.
- *Processing*: confirming that the core planning application, appeal and enforcement processes are exercised consistently, in line with documentation.
- *Financial Control & Budgeting*: confirming that costs for services are set in line with national guidance, with income projections profiled over the year, monitored and escalated appropriately, through Team and senior management meetings.
- *Fees*: these are charged in line with national levels and recouped prior to services being provided; the Service actively monitors its costs/income and seeks to minimise costs and generate income wherever possible.

The conclusion of our review is generally positive. Roles and responsibilities are clearly defined, processes are adequately documented (supplemented by an end to end process map) and a range of information is available on the Council's website regarding the services offered by the Service. We also noted that the Service received income of £929,724 during 2016/17, of which £28,035 was generated from pre-planning advice, where costs are discretionary. The Service project and monitor their costs and income against profile through the year. The Service still maintain separate paper files for each planning application, in addition to recording information on the planning software system, Acolaid. However we were informed that this is going to be addressed during 2017/18 with the implementation of a software upgrade, supported by the potential to secure an appropriate mobile solution, to enable files to be accessed away from Council offices.

The main issue identified through this review is that all five of the appeals we sampled (out of a total of seven made since the 1<sup>st</sup> April 2017) missed the two week timescale from receipt to the appeal start date. We were informed that this delay is caused by a backlog in processing by the national Planning Inspectorate, rather than the Council's Development Management Service. Our sample testing of planning applications (25 out of 254 applications made since the 1<sup>st</sup> April

---

2017) and enforcement actions (25 out of 45 actions initiated since the 1<sup>st</sup> April 2017) also identified four instances where processing timescales were missed and one instance where information was not recorded on file. More widely, monitoring and oversight could be enhanced, for example by implementing a central mechanism to track actions from team meetings and ensuring that mini service boards are carried out consistently. We have raised three detailed findings, summarised below:

*Planning Applications:* roles and responsibilities are clear, processes are appropriately documented and a range of information is available to service users on the Council's website, [iwight.com](http://iwight.com). Our overarching observation is that the Service still maintain paper files for each planning application, in addition to information recorded within the Acolaid planning software and ECM (Electronic Content Management), used, for example, to make planning applications available for comment on [iwight.com](http://iwight.com). A new system is due to be implemented during 2017/18, with potential for a mobile solution, which will enable all information to be available away from Council offices, for example for site visits.

Regarding the design of the process, there is limited evidence of review/approval by the Planning Leadership Team early in the process, to identify any issues at the earliest opportunity. As part of the new system implementation, consideration should be given to capturing this, for example as an electronic workflow step.

Our sample testing of 25 planning applications (out of a total of 254 applications made since the 1<sup>st</sup> April 2017) identified one instance where a planning application had not been acknowledged within the specified three working day limit, being acknowledged on the seventh working day; planning officers should be reminded of the importance of issuing acknowledgments in a timely manner so that applicants know that their application has been received and the response KPI can be accurately measured.

We have raised this area as a **medium risk** finding.

*Appeals and Enforcement Actions:* the appeal and enforcement processes are clearly documented in processing notes, with a range of information available to users of the service on [iwight.com](http://iwight.com). There is some duplication between Acolaid and paper files, however this will be addressed by the pending system implementation, as identified above.

Our sample testing (five of the seven appeals and 25 out of the 45 enforcement actions initiated since the 1<sup>st</sup> April 2017) identified that the two week timeframe for initiating appeals after the appeal was received was missed by a number of days in all instances. However this was due to a delay in the Council being notified by the Planning Inspectorate, rather than a delay in processing by the Council; we did not identify any other issues with the processing of appeals. Out of the 25 enforcement actions we sampled, three were not acknowledged by the Council, subsequent to the Council being notified by the Planning Inspectorate, until after the specified five working day timeframe and in one instance the date of the site visit was not recorded. Planning officers should be reminded of the importance of timely and accurate processing.

We have raised this area as a **low risk** finding.

*Finance and Oversight:* our review did not identify any major issues with how the Service is managing its cost and income. For example, planning applications do not progress until relevant fees have been paid (validity is confirmed on the weekly spreadsheet, maintained by the Service), the Service is now charging for preplanning advice (generating £28,035 of income during 2016/17, out of total Service income of £843,323) and an appropriate regime of finance and wider performance reporting is in place.

We did identify two minor issues: the mini service board meetings for February and April were cancelled and each team member keeps their own notes at team meetings, rather than keeping a central record. Mini service boards are an important mechanism to oversee finance and wider performance and every effort should be made to ensure these do take place on a monthly basis, with a simple centralised action tracker used to capture discussions at management meetings in future.

We have raised this area as a **low risk** finding.

---


## Appendix A: Basis of our classifications

	<i>Effect on Service</i>	<i>Embarrassment/ reputation</i>	<i>Personal Safety</i>	<i>Personal privacy infringement</i>	<i>Failure to provide statutory duties/meet legal obligations</i>	<i>Financial</i>	<i>Effect on Project Objectives/ Schedule Deadlines</i>
<b>Critical</b>	<p>A finding that could result in a:</p> <ul style="list-style-type: none"> <li>Major loss of service, including several important areas of service and /or protracted period. Service Disruption 5+ Days</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Adverse and persistent national media coverage</li> <li>Adverse central government response, involving (threat of) removal of delegated powers</li> <li>Officer(s) and/or Members forced to resign</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Death of an individual or several people</li> </ul>	<p>A finding that could result in:</p> <p>All personal details compromised/ revealed</p>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Litigation/claim s/ fines from Department £250k +</li> <li>Corporate £500k +</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Costs over £500,000</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Complete failure of project/ extreme delay – 3 months or more</li> </ul>
<b>High</b>	<p>A finding that could result in a:</p> <ul style="list-style-type: none"> <li>Complete loss of an important service area for a short period</li> <li>Major effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community</li> <li>Adverse local publicity of a major and persistent nature</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Major injury to an individual or several people</li> </ul>	<p>A finding that could result in:</p> <p>Many individual personal details compromised/ revealed</p>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Litigation/claim s/ fines from Department £50k to £125k</li> <li>Corporate £100k to £250k</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Costs between £50,000 and £500,000</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Significant impact on project or most of expected benefits fail/ major delay – 2-3 months</li> </ul>

	<i>Effect on Service</i>	<i>Embarrassment/ reputation</i>	<i>Personal Safety</i>	<i>Personal privacy infringement</i>	<i>Failure to provide statutory duties/meet legal obligations</i>	<i>Financial</i>	<i>Effect on Project Objectives/ Schedule Deadlines</i>
<b>Medium</b>	<p>A finding that could result in a:</p> <ul style="list-style-type: none"> <li>Major effect to an important service area for a short period</li> <li>Adverse effect to services in one or more areas for a period of weeks Service Disruption 2-3 Days</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Adverse local publicity /local public opinion aware</li> <li>Statutory prosecution of a non-serious nature</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Severe injury to an individual or several people</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Some individual personal details compromised/ revealed</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Litigation/claim s/fines from Department £25k to £50k</li> <li>Corporate £50k to £100k</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Costs between £5,000 and £50,000</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Adverse effect on project/ significant slippage – 3 weeks–2 months</li> </ul>
<b>Low</b>	<p>A finding that could result in a:</p> <ul style="list-style-type: none"> <li>Brief disruption of important service area</li> <li>Significant effect to non-crucial service area Service Disruption 1 Day</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Contained within section/Unit or Directorate</li> <li>Complaint from individual/small group, of arguable merit</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Minor injury or discomfort to an individual or several people</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Isolated individual personal detail compromised/ revealed</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Litigation/claim s/fines from Department £12k to £25k</li> <li>Corporate £25k to £50k</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Costs less than £5,000</li> </ul>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> <li>Minimal impact to project/ slight delay less than 2 weeks</li> </ul>
<b>Advisory</b>	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>						

## Report classifications

The report classification is determined by allocating points to each of the findings included in the report.

<i>Findings rating</i>	<i>Points</i>	<i>Report classification</i>	<i>Points</i>
<b>Critical</b>	40 points per finding	 <b>Low</b>	6 points or less
<b>High</b>	10 points per finding	 <b>Medium</b>	7– 15 points
<b>Medium</b>	3 points per finding	 <b>High</b>	16– 39 points
<b>Low</b>	1 point per finding	 <b>Critical</b>	40 points and over



## Appendix B: Progress on the 2017/18 internal audit plan

Audit name	Fee	Current Status	Report classification for those audits completed
Adult Social Care Contracts	£7,550	Draft Report	-
Application System: SAP	£5,450	Pending	-
Beaulieu House and Riboleau House	£5,450	Pending	-
Benefit Payments	£5,450	Fieldwork	-
Contracts/Grant Sourced Spend	£7,550	Pending	-
Corporate Governance/Service Planning	£7,550	Fieldwork	-
Cowes Floating Bridge *	£5,450	Suspended	-
Development Control	£5,450	Final Report	Low Risk
Emergency Management: Business Continuity	£7,550	Draft Report	-
Environmental Health	£5,450	Planning	-
Fraud and Corruption	£7,550	Planning	-
Housing / Safe & Secure Homes	£5,450	Draft Report	-

<b>Audit name</b>	<b>Fee</b>	<b>Current Status</b>	<b>Report classification for those audits completed</b>
Information Management/IG Toolkit	£7,550	Draft Report	-
IT Governance and Asset Management	£7,550	Final Report	Medium Risk
IT: Alignment with Business Need	£7,550	Fieldwork	-
Key Financial Systems	£12,800	Fieldwork	-
Local Taxation (Council Tax and NDR)	£5,450	Fieldwork	-
Public Health	£7,550	Pending	-
PFI and Pan Follow-up *	£5,450	Draft Report	
Recruitment	£5,450	Final Report	Low Risk
Regeneration/Strategic Support	£7,550	Fieldwork	-
Schools' Audits	£5,450	Fieldwork	-
Trading Standards	£5,450	Planning	-
Treasury Management	£5,450	Pending	-
Vanguard	£10,522	Fieldwork	-

\* Our scheduled review of the Cowes Floating Bridge has been directly substituted with a follow-up review, to assess progress implementing the actions stemming from our 2016/17 reviews of the Highways PFI and Pan reviews.

## Appendix C: Internal audit performance against key performance indicators 2017/18

	Adult Social Care Contracts	Application System: SAP	Beaulieu House and Riboleau House	Benefit Payments	Contracts/Grant Sourced Spend	Corporate Governance/Service Planning	PFI and Pan Follow-up	Development Control	Emergency Management: Business Continuity	Environmental Health	Fraud and Corruption	Housing / Safe & Secure Homes	Information Management/IG Toolkit	IT Governance and Asset Management	IT: Alignment with Business Need	Key Financial Systems	Local Taxation (Council Tax and NDR)	Public Health	Recruitment	Regeneration/Strategic Support	Schools' Audits	Trading Standards	Treasury Management	Vanguard
Scope agreed prior to fieldwork commencing?	Y	-	-	Y	-	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	-	Y
Exit meeting held?	Y	-	-	-	-	-	Y	Y	Y	-	-	Y	Y	Y	-	-	-	-	Y	-	-	-	-	-
Draft report issued within 10 working days of completion of exit meeting?	Y	-	-	-	-	-	-	Y	Y	-	-	-	Y	Y	-	-	-	-	Y	-	-	-	-	-
Draft report issued within 10 working days of receiving documentation from auditee?	Y	-	-	-	-	-	-	Y	Y	-	-	-	Y	Y	-	-	-	-	Y	-	-	-	-	-
Management response received?	-	-	-	-	-	-	-	Y	-	-	-	-	-	Y	-	-	-	-	Y	-	-	-	-	-
Final report issued within five working days of agreement of management response?	-	-	-	-	-	-	-	Y	-	-	-	-	-	Y	-	-	-	-	Y	-	-	-	-	-
Client satisfaction survey score (if received)?	-	-	-	-	-	-	-	9	-	-	-	-	-	9.6	-	-	-	-	9.2	-	-	-	-	-