



Internal Audit Progress Report 26th June 2020

Elizabeth Goodwin, Chief Internal Auditor

1. Introduction

Internal Audit is a statutory function for all local authorities. The Isle of Wight Council's Internal Audit service has an in-house team and a shared Chief Internal Auditor with Portsmouth City Council (PCC). The in-house audit team is supported by audit and counter fraud staff from PCC under a collaborative working arrangement.

The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit Regulations 2015 as to:

Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance

The standards for 'proper practices' are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

2. Purpose of report

The purpose of this report is to update the Audit Committee on the progress of the 2019/20 Audit Plan as at 26th June 2020 and to highlight any significant risk exposure and control issues, including fraud and governance risks.

3. Assurance Levels

Internal Audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives for the area under review.

Assurance Level	Description / Examples
Assurance	<i>No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority</i>
Reasonable Assurance	<i>Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority</i>
Limited Assurance	<i>Control weaknesses or risks were identified which pose a more significant risk to the Authority</i>
No Assurance	<i>Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit</i>

Audits rated No Assurance are reported in their entirety to Audit Committee along with Director's comments

4. Exception Risk Ranking

The following table outline the exceptions raised in audit reports, reported in priority order and are broadly equivalent to those previously used.

Priority Level	Description
Low Risk (Improvement)	<i>Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.</i>
Medium Risk	<i>These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.</i>
High Risk	<i>Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not 'show stopping' but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.</i>
Critical Risk	<i>Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the Council's objectives in relation to: The efficient and effective use of resources, The safeguarding of assets, The preparation of reliable financial and operational information, Compliance with laws and regulations and corrective action needs to be taken immediately.</i>

Any critical exceptions found will be reported in their entirety to the Audit Committee along with Director's comments

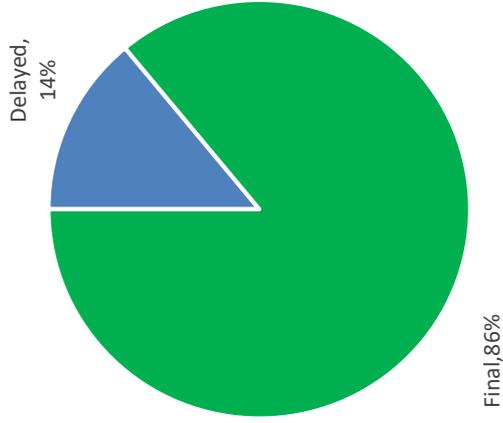
5. Follow-up Action Categorisation

The following table outlines the follow up categories used to describe the outcome of follow up testing completed.

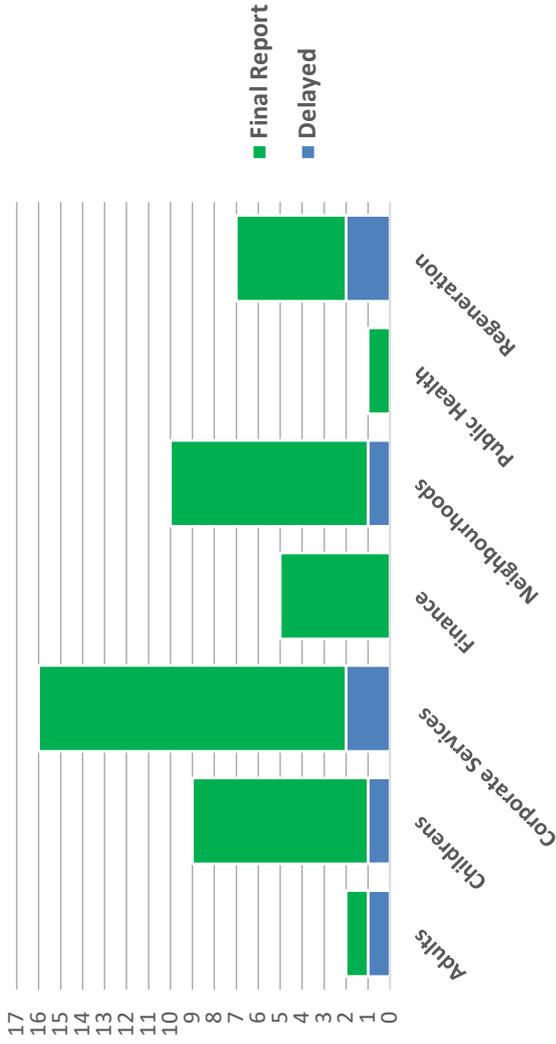
Follow Up Categories	Description
Open	<i>No action has been taken on agreed action.</i>
Pending	<i>Actions cannot be taken at the current time but steps have been taken to prepare.</i>
In Progress	<i>Progress has been made on the agreed action however they have not been completed.</i>
Implemented but not Effective	<i>Agreed action implemented but not effective in mitigating the risk.</i>
Closed: Verified	<i>Agreed action implemented and risk mitigated, verified by follow up testing.</i>
Closed: Not Verified	<i>Client has stated action has been completed but unable to verify via testing.</i>
Closed: Management Accepts Risk	<i>Management have accepted the risk highlighted from the exception.</i>
Closed: No Longer Applicable	<i>Risk exposure no longer applicable.</i>

6. Audit Plan Progress

Status Overall



Status By Directorate



Status (including follow-ups)	Audits
Delayed *	7
Final Report	43
TOTAL	50

* Two reports are pending finalisation (Direct Payments and Community Funerals); three full and two follow-up reviews have moved to 2020/21 (Contracts, Events, Island Plan, Home to School Transport and Social Media/CCTV); these reviews are excluded from figures above.

The provisional Internal Audit Plan for 2019/20, presented to Audit Committee in February 2019, proposed 36 named audits, plus additional placeholders for grants verified, schools, follow-ups and reviews to be carried out in Adult and Children's services. This level of coverage represents an increase from the coverage provided prior to the partnership with Portsmouth City Council (PCC) and is appropriate for the size and range of responsibilities held by the Isle of Wight Council.

All reviews included in the 2019/20 programme of work are included in summary information on this page. Detail regarding changes to the Audit Plan is provided in the 'Audit Status' section, later in this report.

7. Audits in Period

Two reports finalised since the last Internal Audit report presented to Audit Committee in March 2020 have been rated as 'limited assurance'. Fuller summaries for these reports are provided for Audit Committee below.

Bank and Cash

Exceptions Raised		Overall Assurance Level		Assurance Level by Scope Area	
Critical	High	Medium	Low	Achievement of strategic objectives	NAT
0	2	6	1	Compliance with Policies, Laws & Regulations	Limited Assurance
				Safeguarding of Assets	NAT
				Effectiveness and Efficiency of Operations	Limited Assurance
				Reliability and Integrity of Data	NAT

The Council has taken steps to minimise its processing of cash in recent years, for example the closure of the cash office in Sandown and promotion of alternative channels such as direct debits and online payment. However, despite volume reductions the Council still handles significant volumes of cash and needs to take steps to ensure that its arrangements are fit for purpose. This review identified a number of areas where enhancements are necessary.

Most significantly a review of cash collection 'rounds' suggests that insurance limits for cash in transit are regularly breached and the team responsible have no mechanisms in place to identify where this may be the case.

Two significant issues were also identified, specific to individual sites, although likely to be applicable across all Council sites to varying degrees. At County Hall the safe insurance limit was breached over a three-day period in November 2019 (total cash held totalled £2792, against an insurance limit of £1000). At Westridge by chance Internal Audit witnessed a cash payment of £5000 being made; for clarity Westridge is not open to the public, does not have arrangements to process face to face payments nor to store cash and this payment should not have been accepted, without proper arrangements in place to protect both staff members and the council. Further checks by Internal Audit identified that no receipt was issued, the money was stored overnight before being transported and banked by a single member of staff.

Other exceptions raised include a £10 discrepancy in paperwork for a cash payment taken at County Hall, the incorrect safe limit being identified in the Council's Cash Handling Procedures (£3000), an inconsistent approach to clearing the suspense account and two ex-employees still being listed on the bank mandate.

Beaulieu House – Medication Administration

Exceptions Raised	
Critical	
High	
Medium	
Low	
0	1
	3
	4

Overall Assurance Level

Limited Assurance

Assurance Level by Scope Area

Achievement of strategic objectives	NAT
Compliance with Policies, Laws & Regulations	Limited Assurance
Safeguarding of Assets	Assurance
Effectiveness and Efficiency of Operations	Reasonable Assurance
Reliability and Integrity of Data	NAT

Beaulieu House is a Children’s Services’ residential and respite centre. This review was requested by the Service, to confirm that the enhancements implemented to processes following issues with the administration of medication in 2018 were operating effectively.

The main issue identified through the review relate to training records; comprehensive guidance is in place at the Centre, setting out the qualifications, skills and experience staff need to have before they can be responsible for ‘lead administering’ of medication. The majority of record keeping is in a paper ‘competency book’, which also records the staffs’ professional development. This is routinely held by each staff member and during fieldwork, Internal Audit were unable to view the competency book for one member of staff. Competency books for other staff members were reviewed, however all bar one contained gaps, which meant the ‘evidence’ did not support staff being certified to lead medicate, based on the Centre’s documentation.

A further issue regarding staff ‘competency’ was identified regarding specialist/refresher training. This is provided by the Centre’s Registered Children’s Nurse (RCN). The RCN makes narrative notes in a diary regarding this training; however, this is not in a format which would enable Internal Audit to confirm that training has been provided.

Lower risk issues identified through this review relate to inconsistencies between practice and documentation and a number of relatively minor errors in processing. For example, the pharmacy taking the carbon copy rather than the original, from the returns book, when redundant medicines are collected; for context taking the master copy helps to ensure that unauthorised amendments cannot subsequently be made to the returns book.

Summaries for reports rated 'reasonable assurance' or better are provided below.

Council Tax and NNDR

Exceptions Raised

Critical	High	Medium	Low
0	1	1	1

Overall Assurance Level

Reasonable Assurance

Assurance Level by Scope Area

Achievement of strategic objectives	Assurance
Compliance with Policies, Laws & Regulations	Limited Assurance
Safeguarding of Assets	Assurance
Effectiveness and Efficiency of Operations	Reasonable Assurance
Reliability and Integrity of Data	NAT

The most significant issue identified through this review is that the Council is not verifying discounts to Council tax (CT) and NNDR sufficiently robustly. For example, credit checks carried out by Internal Audit identified three out of five households claiming single person discounts who are unlikely to be entitled to the discount. Audit testing also identified numerous example of missing evidence of discount entitlement on file. Other issues identified through this review include six debtor accounts (total value £10,430.98) where no recovery action had taken place and two CT bill which had taken in excess of 24 days to be raised.

Payroll

Exceptions Raised

Critical	High	Medium	Low
0	1	2	1

Overall Assurance Level

Reasonable Assurance

Assurance Level by Scope Area

Achievement of strategic objectives	NAT
Compliance with Policies, Laws & Regulations	Limited Assurance
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	NAT
Reliability and Integrity of Data	NAT

The most significant issue identified through this review is that while testing inaccuracies were identified in relation to National Insurance (NI) category coding. For example, eight instances were identified where the Council is paying 13.8% NI contributions for apprentices, where they should be paying 0%.

Other issues identified include two leavers whose final payments were incorrect (overpayments were recovered) and failures to justify honorariums and market supplements with business cases; the Council does not require these for honorariums, although this is considered good practice. Council practice is to require these for market supplements; however, business cases were missing for 16 out of 17 market supplement payments checked by Internal Audit.

Accounts Receivable (AR)

Exceptions Raised		Overall Assurance Level		Assurance Level by Scope Area	
Critical	High	Medium	Low	Achievement of strategic objectives	NAT
0	1	1	1	Compliance with Policies, Laws & Regulations	Assurance
				Safeguarding of Assets	Assurance
				Effectiveness and Efficiency of Operations	Limited Assurance
				Reliability and Integrity of Data	NAT

The high risk finding identified through this review is the lack of evidence of approval for credit notes, as required by Council policy; for context 11 out of 13 credit notes checked (total £7264) had been processed without approval. Other issues identified were a failure to consistently carry through debt recovery (five instances of 25 tested, total value £4198) and one instance (25 checked) where there was a 34-day delay in an invoice being raised.

Accounts Payable (AP)

Exceptions Raised		Overall Assurance Level		Assurance Level by Scope Area	
Critical	High	Medium	Low	Achievement of strategic objectives	NAT
0	2	1	1	Compliance with Policies, Laws & Regulations	Assurance
				Safeguarding of Assets	Assurance
				Effectiveness and Efficiency of Operations	Limited Assurance
				Reliability and Integrity of Data	Assurance

Two high risk findings were raised, under Accounts Payable the first relates to non-completion of training for example, gaps were identified both in corporate and local training; most significantly only two out of eight staff members had completed all local training, specific to AP processes. The second significant issue relates to duplicate payments. Data analytics (covering 01/04/2018 to 31/12/2019) identified six duplicate payments, totalling £12,915, of which £11,880 was returned by payee. Lower risk exceptions were raised regarding an internal leaver had retained access in SAP to customer master data (this access had not been used) and two errors in published transparency information; missing figures for unrecoverable VAT and one minor transcription error, between data in SAP and that published.

Benefits

Exceptions Raised		High	Medium	Low
Critical	0	0	0	0

Overall Assurance Level

Assurance

Assurance Level by Scope Area

Achievement of strategic objectives	Assurance
Compliance with Policies, Laws & Regulations	Assurance
Safeguarding of Assets	Assurance
Effectiveness and Efficiency of Operations	Assurance
Reliability and Integrity of Data	Assurance

No issues were identified with any areas of processing and audit testing confirmed that robust monitoring and oversight arrangements are in place.

Leisure Centres

Exceptions Raised		High	Medium	Low
Critical	0	0	2	1

Overall Assurance Level

Reasonable Assurance

Assurance Level by Scope Area

Achievement of strategic objectives	Assurance
Compliance with Policies, Laws & Regulations	Assurance
Safeguarding of Assets	Reasonable Assurance
Effectiveness and Efficiency of Operations	Reasonable Assurance
Reliability and Integrity of Data	NAT

The most significant issue identified through this review is that corporate 'standards' are not always adhered to. For example banking of cash at one site was carried out by management rather than the corporate team, while at two sites private hires were managed inconsistently; this included both local setting of fees (rather than being set according to agreed documentation) and seven instances where valid copies of public liability insurance had not been seen by the Council in advance of bookings. Audit enquiries also identified that no cost/benefit analysis is carried out of marketing campaigns.

Newport Harbour

Exceptions Raised

Critical	High	Medium	Low
0	0	3	0

Overall Assurance Level

Reasonable Assurance

Assurance Level by Scope Area

Achievement of strategic objectives	Reasonable Assurance
Compliance with Policies, Laws & Regulations	NAT
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	Reasonable Assurance
Reliability and Integrity of Data	NAT

No significant issues were identified with how this initiative has been managed to date, specifically no obstacles were identified to the Council adopting the Master Plan as a Supplementary Planning Document (SPD). However, there are known tasks outstanding, most importantly the Harbour Revision Order (HRO) and project documentation makes clear, both that £5 to £7 million of public sector funding would be required to realise the Master Plan as envisaged and that delivery would take 10 to 15 years.

Section 106 Agreements

Exceptions Raised

Critical	High	Medium	Low
0	1	1	0

Overall Assurance Level

Reasonable Assurance

Assurance Level by Scope Area

Achievement of strategic objectives	Assurance
Compliance with Policies, Laws & Regulations	Reasonable Assurance
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	Reasonable Assurance
Reliability and Integrity of Data	NAT

The high risk finding for s106 Agreements relates to the absence of formal arrangements to confirm that all parties are complying with the terms of Section 106 agreements. The review also identified that enhancements are necessary to improve the timeliness of reporting for Section 106 income due, to ensure that accounting records are up to date and that all developments are fully complying with their planning obligations in a timely manner.

8. Follow-up Audits in Period

Additional follow-up planned for quarter one 2020/21 has been postponed, due to COVID19. A summary of the current position for actions followed up, not previously reported to Audit Committee, is provided below. Further follow-up is planned for quarter three 2020/21; an update will be provided to the December 2020 meeting of the Committee.

Homes in Multiple Occupancy (HMOs)			
Original Exceptions Raised			
Critical	High	Medium	Low
0	0	3	0

Original Assurance Level	Follow-up Assurance Level
Reasonable Assurance	Reasonable Assurance

Original Action Date: March 2019
Revised Action Date: February 2020

All HMOs requiring licensing have been migrated to the new Uniform system. However, follow-up testing was not able to confirm that issues identified in inspections are consistently followed up and the accuracy of reports could also not be confirmed.

1 Medium	HMO Records Property owners now provide the Council with gas safety certificates annually and reports can now be produced, covering for example the status of property inspections. However, Internal Audit was unable to confirm the accuracy of reporting.	In Progress
2 Medium	HMO Register All HMOs requiring licensing have been migrated to Uniform. However further clarifications, for example regarding the number of prosecutions on the Island, are outstanding at the point this report was finalised.	In Progress
3 Medium	Inspections The format of inspection recording has been enhanced. However, records in Uniform are incomplete and for none of the five sampled properties could a full audit trail, from issues being identified to actions being addressed, be confirmed.	In Progress

Coronavirus Impact

At the February 2020 Corporate Management Team (CMT) meeting it was identified that further progress had been made since fieldwork for this review was completed. Presentation to Audit Committee was consequently postponed to July 2020, with further fieldwork scheduled for May 2020 to ensure an accurate assessment of progress; due to COVID19 this fieldwork was suspended. Results above are therefore preliminary, with further fieldwork now scheduled for quarter three 2020; a final assessment of progress will be presented to December's Audit Committee meeting.

Special Educational Needs and Disability (SEND)

Original Exceptions Raised

Critical	High	Medium	Low
0	2	0	0

Original Action Date: June 2019
Revised Action Date: March 2020

Original Assurance Level

Limited Assurance



Follow-up Assurance Level

Reasonable Assurance

Progress has been made since the 2018/19 review, most importantly accurate, timely information is being produced for and considered by senior management, up to and including the Director of Children's Services. One action followed up has been implemented and one is in progress.

1	High	Education Health and Care (EHC) needs assessment Regular reporting is produced, against deadlines; these are provided to senior management. While there are still a small number of instances where deadlines are still being missed performance on the Island is ahead of the national average.	Closed
2	High	Education Health and Care Plans (EHCPs) Where the Council has a direct responsibility, for more vulnerable groups, EHCPs are always regularly reviewed and outcomes recorded. Reliable reporting for school led reviews is not yet available but data improvement work is planned, to enable the Council to confirm schools are meeting this requirement.	In Progress

Coronavirus Impact

At the February 2020 Corporate Management Team (CMT) meeting it was identified that further progress had been made since fieldwork for this review was completed. Presentation to Audit Committee was consequently postponed to July 2020, with further fieldwork scheduled for May 2020 to ensure an accurate assessment of progress; due to COVID19 this fieldwork was suspended. Results above are therefore preliminary, with further fieldwork now scheduled for quarter three 2020; a final assessment of progress will be presented to December's Audit Committee meeting.

Regulatory Compliance



This review covered a subset of 'landlord' responsibilities, specifically, arrangements to ensure that buildings are safe from a gas, water, electrical and fire safety perspective. The conclusion of this review is that the Council now has a suitable 'framework' to enable them to evidence that their buildings are 'safe' but that further work is necessary to fully implement the framework.

1	High	Formalising Services Procurement is underway, scheduled to be completed by June 2020, for a new contract to cover Water Safety; options for how Fire Safety services will be sourced are being investigated, short term these are sourced individually, as required.	In Progress
2	High	Fire Risk Assessment Register Importantly all Council properties designated 'care' have up to date Fire Risk Assessments in place. An appropriate Register is now in place but further work is necessary, to ensure this is up to date and kept up to date.	In Progress
3	High	Water Risk Assessment follow up Limited progress has been made on this action, with further enhancements largely dependent on the finalisation of the contract for Water Safety referred to under one above.	In Progress
4	High	Supporting Systems This action refers to the 'framework', ultimately enabling senior management to be confident that all of the Council's property is 'safe'. A suitable framework is now in place but further work is necessary to populate it and ensure it is kept up to date.	In Progress
5	Medium	Monitoring of Schools Schools are responsible but the Council is ultimately accountable for ensuring 'owned' schools are 'safe'. A mechanism is now in place (and working well) to escalate when information is not provided by schools in a timely manner but further work is necessary before the Council has all of the information it needs to confirm schools are fulfilling their responsibilities.	In Progress

Coronavirus Impact

At the February 2020 Corporate Management Team (CMT) meeting it was identified that further progress had been made since fieldwork for this review was completed. Presentation to Audit Committee was consequently postponed to July 2020, with further fieldwork scheduled for May 2020 to ensure an

accurate assessment of progress; due to COVID19 this fieldwork was suspended. Results above are therefore preliminary, with further fieldwork now scheduled for quarter three 2020; a final assessment of progress will be presented to December's Audit Committee meeting.

Schools											
Original Exceptions Raised	Original Assurance Level	Follow-up Assurance Level									
<table border="1"> <tr> <td>Critical</td> <td>High</td> <td>Medium</td> <td>Low</td> </tr> <tr> <td>0</td> <td>0</td> <td>3</td> <td>0</td> </tr> </table>	Critical	High	Medium	Low	0	0	3	0	Reasonable Assurance	Reasonable Assurance	Original Action Date: November 2018 Revised Action Date: March 2020
Critical	High	Medium	Low								
0	0	3	0								

Gaps were identified regarding evidence to support assertions made by three schools in their 2018/19 School Financial Value Standard (SFVS) returns, resulting in medium risk findings being raised for each school.

1	Medium	Barton Primary School The Whistleblowing Policy is published on the School's website. Further action is necessary to complete and respond to any finance skill gaps on the governing body and benchmarking, against peer schools.	In Progress
2	Medium	Binstead Primary School The Whistleblowing Policy is published on the school website (this was raised in error in the 2018/19 report). A benchmarking exercise has been carried out and is scheduled to be presented to the Governing Body.	In Progress
3	Medium	Hunnyhill Primary School Governors' business interests and the Whistleblowing Policy have both been updated and published on the School's website. Other actions, for example addressing any finance skill gaps in the governing body, are in progress.	In Progress

Coronavirus Impact

At the February 2020 Corporate Management Team (CMT) meeting it was identified that further progress had been made since fieldwork for this review was completed. Presentation to Audit Committee was consequently postponed to July 2020, with further fieldwork scheduled for May 2020 to ensure an accurate assessment of progress; due to COVID19 this fieldwork was suspended. Results above are therefore preliminary, with further fieldwork now scheduled for quarter three 2020; a final assessment of progress will be presented to December's Audit Committee meeting.

Looked After Children (LAC)



Since the 2018/19 review the overarching Corporate Parenting Strategy has been comprehensively revised. Good progress is being made against all of the actions identified in the 2018/19 report, with an identified timeline up to all actions being addressed by April 2020.

1	Medium	Corporate Parenting Strategy The Strategy has been comprehensively revised and was approved by the Corporate Parenting Board in March 2020.	Complete
2	Medium	Strategic Documentation: Review/Timeline A clear action plan/timeline is set out in the Corporate Parenting Strategy. The complementary sufficiency document is scheduled to be revised by April 2020.	In Progress
3	Medium	Strategic Documentation: Corporate Plan and Policy Linkage LAC performance indicators in the Corporate Plan have been corrected; there is also a clear linkage to the Corporate Plan in service plans.	Complete

Coronavirus Impact

Further fieldwork is now planned for October/November 2020.

Income Management

Original Exceptions Raised		Original Action Date: September 2019	Original Assurance Level	Follow-up Assurance Level
Critical	High	Revised Action Date: March 2020	Limited Assurance	Limited Assurance
0	1			
	1			
	Medium			
	Low			
	0			

Progress has been made since the 2018/19 review, both with investigations to identify the cause of actual and expected income and to embed good financial practice with Floating Bridge staff. However, there are still discrepancies between the expected, system reported income level and the actual income collected.

1	High	<p>TransIQ system Investigations have been carried out by the Council, confirming that income discrepancies are not specific to any particular staff members or shifts. Work by the system provider has also identified a likely significant number of duplicate payments since the system went live (in a data extract provided by the Council). The Council is now prioritising the development of a new system, to enable contactless payments. The key step now required is to ensure that the new system is not signed off, until there is absolute certainty that it is reporting income correctly.</p>	In Progress
2	Medium	<p>Floating Bridge procedures A specific list of key requirements has been provided to all floating bridge staff, regarding their management of cash. Sign off slips, confirming further guidance has been read, has also been completed.</p>	Closed

Coronavirus Impact

The service has identified that, subsequent to fieldwork in December 2019, the new system has been fully implemented and enhanced oversight by management has continued. Discrepancies have now been reduced to approximately £2.24 per day; this progress has not been validated by Internal Audit. Further fieldwork is now planned for October/November 2020.

Domiciliary Care

Original Exceptions Raised		Original Assurance Level		Follow-up Assurance Level	
Critical		Reasonable Assurance		Reasonable Assurance	
High					
Medium	3				
Low	0				
0					

Original Action Date: August 2019
Revised Action Date: April 2020

The 2018/19 audit focussed on how third-party care providers are overseen, identifying gaps in consistency, primarily due to a fragmented approach. The majority of actions have now been addressed, with the new Horizon System providing better evidence of 'actual' care levels and a new system pending, which will support more integrated oversight, from self-assessments to the Quality Assurance (QA) Team closing actions.

1	Medium	The new Horizon System is now better evidencing the 'actual' level of care, against the 'expected' level of care; this information is used to inform both the work of the QA and social work teams.	Closed
2	Medium	The QA Team is now reporting directly into Council management, with a new system scheduled to be adopted in February 2020, which will provide a clear trail, from issues being identified to issues being addressed.	In Progress
3	Medium	A revised reporting format and RAG (Red Amber Green) scoping is now providing more consistent progress reporting across strategic initiatives.	Closed

Coronavirus Impact

Further fieldwork is now planned for October/November 2020.

Asset Management

Original Exceptions Raised		Original Action Date: September 2019	Original Assurance Level	Follow-up Assurance Level
Critical	0	Revised Action Date: December 2020	Reasonable Assurance	Reasonable Assurance
High	0			
Medium	3			
Low	0			

The 2018/19 audit focussed on the Council management of its property assets, identifying delays in carrying out of rent reviews and lease updates and gaps in oversight of tenant insurance policies. The conclusion of this review is that the Council is making progress against agreed actions, supported by additional capacity in the team responsible. However, all actions are still in progress, with completion currently projected for December 2020.

1	Medium	Rent Reviews The number of overdue rent reviews has been confirmed as 78; 20 of these have now been reviewed, with the remainder scheduled for completion by September 2020.	In Progress
2	Medium	Oversight of Insurance Policies Review of records has identified 10 properties with missing insurance records; gaps have been addressed for four properties, with corrective action in progress for the remaining six.	In Progress
3	Medium	Current Leases and Licences Record review has identified 94 properties with expired leases; 17 have now been renewed, with the remainder scheduled to be addressed by September 2020.	In Progress

Coronavirus Impact

Further fieldwork is now planned for October/November 2020.

Nicholson Road

Original Exceptions Raised

Critical	High	Medium	Low
0	1	2	0

Original Action Date: December 2019
Revised Action Date: N/A

Original Assurance Level

Limited Assurance



Follow-up Assurance Level

Reasonable Assurance

The 2018/19 audit focussed on the Council's management of the Nicholson Road initiative. While the initiative remains marginally viable gaps identified in the original review have been substantively addressed, with improved record keeping. This will provide members with the correct information to inform the decision at the Full Business Case (FBC) stage as to whether/how to best to progress the initiative.

1	High	Viability Costs have been bottomed out as fully as possible at the current time, towards informing a robust business case for decision by members.	In Progress
2	Medium	Planning/Documentation Recommended actions in the Outline Business Case (OBC) have been revisited, to ensure that as much of the 'preparatory work' as possible had been completed. The Council now has an internally management project plan.	Closed
3	Medium	Governance/Change Authorities are now quantified/documented and minutes provide a clear record of decisions/discussions.	Closed

Coronavirus Impact

Further fieldwork is now planned for October/November 2020.

General Data Protection Regulation (GDPR)

Original Exceptions Raised



Original Action Date: August 2019
Revised Action Date: April 2020

Original Assurance Level



Follow-up Assurance Level



The Council has committed considerable resources to GDPR since the 2018/19 review, with good progress being made in all areas. Good progress has been made against agreed actions, with only minor action outstanding and a clear timeline up to completion within the next six months.

1	High	Information Asset (IA) Registers The IA Register template has been revised and all services have now updated their IA Registers.	Closed
2	High	IT Systems The GDPR status of IT Systems is included in IA Registers and information returned has been used to compile a central register. Further action is likely to be necessary to mitigate issues, where manual intervention is necessary to enable GDPR compliant use for some systems.	Closed
3	High	Contracts 31 of 35 contracts over £25,000 requiring action to comply with GDPR have been addressed. Good progress is also being made with lower value contracts, with a programme of quality assurance in progress.	In Progress
4	Medium	Data Protection Impact Assessments (DPIAs) Documentation and processes have been enhanced, establishing a clear 'gatekeeper' role for procurement, project management and IT change, to ensure that any DPIAs required are carried out.	Closed
5	Medium	Oversight A comprehensive regime of reporting and oversight is in place, primarily led by the Information Governance Group, but also including oversight by senior management, through a specific strategic risk.	Closed
6	Medium	Core Documentation The 2016 Protective Marking and 2017 Retention policies have been reviewed and updated.	Closed

Coronavirus Impact

Further fieldwork is now planned for October/November 2020.

9. Audit Status

The table below summarises audit status including detail regarding audits now scheduled, either where the area of focus had not been confirmed at the time the 2019/20 Audit Plan was produced or where changes have been made subsequently, for example to respond to service requirements, in year.

Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
Accounts Payable (AP)	Corporate Services > Business Centre	Final	Q3	Q3	Reasonable	
Accounts Receivable (AR)	Corporate Services > Business Centre	Final	Q3	Q3	Reasonable	
Archives	Neighbourhoods > Archives	Suspended	Q4	-	-	Sufficient funding is not available for the originally planned move to a new site for Archives, the proposed focus of this review. The Council is now reviewing its options and this area will be considered for inclusion in future audit plans.
Bank & Cash	Corporate Services > Business Centre	Final	Q3	Q3	Limited	
Beach Huts	Neighbourhoods > Commercial Services	Final	Q2	Q2	Reasonable	
Beaulieu House Medication	Children's > Social Care	Final	Q3	Q4	Limited	
Benefits	Corporate Services > Business Centre	Final	Q3	Q3	Assurance	
Budget Monitoring	Finance	Final	Q3	Q3	Assurance	
Bus Subsidy Grant Verification	Finance	Final	Q2	Q2	Assurance	Validation of a number of grants by Internal Audit is a sector requirement; this review supports this

Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
						requirement, referenced in the provisional plan as 'Grant Verification'
Commercial Strategy	Regeneration	Suspended	Q4	-	-	This audit will be revisited in scoping for 2020/21, to enable the review to include an assessment of progress realising the Strategy.
Community Funerals	Neighbourhoods > Regulatory Services	Draft	Q4	Q4	Pending	This audit was in draft at the start of the Coronavirus lockdown. Presentation of results is scheduled for September's meeting of the Audit Committee.
Contaminated Land	Neighbourhoods > Regulatory Services	Suspended	Q1	Q4	-	Initially re-scheduled at service request to Q4, subsequently removed, due to reassessment of associated risk; included in 2020/21 Audit Plan.
Contracts	Corporate Services > Contracts	Postponed	Q4	Q4	-	This audit was partially complete at the start of the Coronavirus lockdown; remaining fieldwork has been postponed till 2020/21.
Corporate Plan - Metrics	All/Cross Service	Suspended	Q4	-	-	A revised Corporate Plan was presented to Full Council in July 2019; a review of the revised Corporate Plan as originally proposed would be of limited value.
Council Tax and NNDR	Corporate Services > Business Centre	Final	Q3	Q3	Reasonable	
Deputyships/ Appointeeships	Adult Services > Commissioning and Partnerships	Suspended	Q4	-	-	Postponed to 2020/21.
Direct Payments/ Personal Budgets	Adult Services > Commissioning and Partnerships	Draft	Q3	Q4	Pending	This audit was in draft at the start of the Coronavirus lockdown. Presentation of results is scheduled for September's meeting of the Audit Committee.
Disabled Facilities Grant Verification	Neighbourhoods > Housing	Final	Q3	Q3	Assurance	Validation of a number of grants by Internal Audit is a sector requirement; this review supports this

Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
						requirement, referenced in the provisional plan as 'Grant Verification'
Additional Disabled Facilities Grant	Neighbourhoods > Housing	Final	Q3	Q3	Assurance	
Environmental Sustainability	Regeneration > Economic Development	Suspended	Q4	-	-	Following consultation with service management Environmental Sustainability sits primarily under the Waste Contract. As this contract is scheduled for a specific review additionally scrutiny in this area is deemed to be of limited value.
Events	Regeneration > Economic Development	Postponed	Q4	Q4	-	This audit commenced prior to the start of the Coronavirus lockdown; it will now be considered as part of the 2021/22 audit plan post events recommencing.
Grants Paid	Neighbourhoods	Suspended	Q3	-	-	Following consultation with service management the number and size of grants paid out by the Council, for example as a result of legacies, is lower than expected; the review as originally proposed would be of limited value to the Council.
Independent Fostering	Children's > Social Care	Final	Q3	Q3	Reasonable	
Island Plan	Regeneration > Planning	Postponed	Q4	Q4	-	This audit was partially complete at the start of the Coronavirus lockdown; remaining fieldwork has been postponed till 2020/21.
IT Application (Paris)	Corporate Services > IT	Final	Q2	Q2	Reasonable	
IT Disaster Recovery	Corporate Services > IT	Final	Q2	Q2	Reasonable	
IT Internal Transfer Processing	Corporate Services > IT	Final	Q1	Q1	Reasonable	

Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
Leisure Centres	Neighbourhoods > Commercial Services	Final	Q4	Q4	Reasonable	
Local Transport Capital Funding	Finance	Final	Q2	Q2	Assurance	Validation of a number of grants by Internal Audit is a sector requirement; this review supports this requirement, referenced in the provisional plan as 'Grant Verification'
Newport Harbour	Regeneration	Final	Q4	Q4	Reasonable	
Payroll	Corporate Services > Business Centre	Final	Q3	Q3	Reasonable	
Pension Administration	Corporate Services > Business Centre	Final	Q2	Q2	Reasonable	
Public Health Outcomes	Public Health	Final	Q1	Q1	Limited	
Registrars	Neighbourhoods > Registrars	Final	Q2	Q3	Assurance	
School (Bembridge Primary)	Children's Services > Education	Final	Q3	Q3	Limited	
School Financial Management Standard (SFVS)	Finance	Final	Q1	Q1	Reasonable	
Section 106 Agreements	Regeneration > Planning	Final	Q3	Q3	Reasonable	
Sexual Health Contract	Public Health	Suspended	Q4	Q4	-	Suspended, due to stage of contract; will be considered for inclusion in 2021/22 Plan.

Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
Sickness Absence/Occupational Health	Corporate Services > HR	Final	Q1	Q1	Reasonable	
Substance Misuse Contract	Public Health	Suspended	Q1	Q4	-	Suspended, due to stage of contract; will be considered for inclusion in 2021/22 Plan.
Treasury Management	Finance	Final	Q3	Q3	Reasonable	
Uniform (Post Implementation)	Corporate Services > IT	Suspended	Q3	-	-	No significant issues have occurred during implementation and progress is being made regarding addressing outstanding issues; this review will be revisited during scoping for 2020/21, to identify if re-scheduling would be of value.
Waste Contract	Neighbourhoods > Waste	Final	Q2	Q2	Assurance	
Beach Fronts (Water Safety)	Neighbourhoods > Commercial Services	Final	Q1	Q1	Reasonable	
Workforce Development/Learning and Development	Corporate Services > HR	Suspended	Q1	Q4	-	Following consultation with service management it has been identified that Workforce Development arrangements are at a very early stage of being revised, with project work not anticipated to commence until 2020/21; this audit is now included in the 2020/21 Audit Plan.

Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
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Follow-up Reviews

During 2019/20 Internal Audit will follow-up all findings raised during 2018/19, rated as medium risk or higher. For each applicable 2018/19 audit separate follow-up reviews will be carried out during 2019/20, in four phases from quarter two, as detailed below.

Follow-up: Contract Management	Corporate Services > Contracts	Final	Q2	Q2	Reasonable	
Follow-up: ITGC	Corporate Services > IT	Final	Q2	Q2	Reasonable	
Follow-up: Homes in Multiple Occupancy (HMOs)	Neighbourhoods > Regulatory Services	Final	Q2	Q2	Reasonable	Please also see section 8 of this report.
Follow-up: Special Educational Needs and Disability (SEND)	Children's Services > Education	Final	Q2	Q2	Reasonable	Please also see section 8 of this report.
Follow-up: Regulatory Compliance	Regeneration > Property	Final	Q3	Q3	Limited	Please also see section 8 of this report.
Follow-up: Barton Primary School	Children's Services > Education	Final	Q3	Q3	Reasonable	Please also see section 8 of this report.
Follow-up: Binstead Primary School	Children's Services > Education	Final	Q3	Q3	Reasonable	Please also see section 8 of this report.
Follow-up: Hunnyhill Primary School	Children's Services > Education	Final	Q3	Q3	Reasonable	Please also see section 8 of this report.
Follow-up: Income Management (Floating Bridge)	Neighbourhoods > Parking	Final	Q3	Q3	Limited	Please also see section 8 of this report.

Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
Follow-up: Looked After Children (LAC)	Children's Services > Social Care	Final	Q4	Q4	Reasonable	
Follow-up: Asset Management	Regeneration > Property	Final	Q4	Q4	Reasonable	
Follow-up: Domiciliary Care	Adult Services > Commissioning and Partnerships	Final	Q4	Q4	Reasonable	
Follow-up: General Date Protection Regulation (GDPR)	Corporate Services > Legal	Final	Q4	Q4	Reasonable	
Follow-up: Home to School Transport	Children's Services > Supporting	Postponed	Q4	Q4	Pending	Fieldwork was suspended, due to COVID19; further follow-up is planned for quarter three 2020/21.
Follow-up: Social Media/CCTV	Corporate Services > Legal	Postponed	Q4	Q4	Pending	Fieldwork was suspended, due to COVID19; further follow-up is planned for quarter three 2020/21.
Follow-up: Nicholson Road	Regeneration	Final	Q4	Q4	Reasonable	