



ISLE *of*
WIGHT
COUNCIL

Internal Audit Progress Report 2 February 2021

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 2020/21 Audit Plan as at 2 February 2021 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

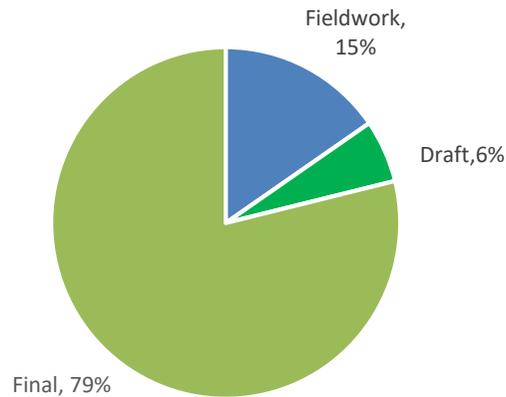
The following table outlines the follow up categories used to describe the outcome of follow up testing completed.

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: <i>Verified</i>	<i>Agreed action implemented and risk mitigated, verified by follow up testing.</i>
Closed: <i>Not Verified</i>	<i>Client has stated action has been completed but unable to verify via testing.</i>
Closed: <i>Management Accepts Risk</i>	<i>Management have accepted the risk highlighted from the exception.</i>
Closed: <i>No Longer Applicable</i>	<i>Risk exposure no longer applicable.</i>

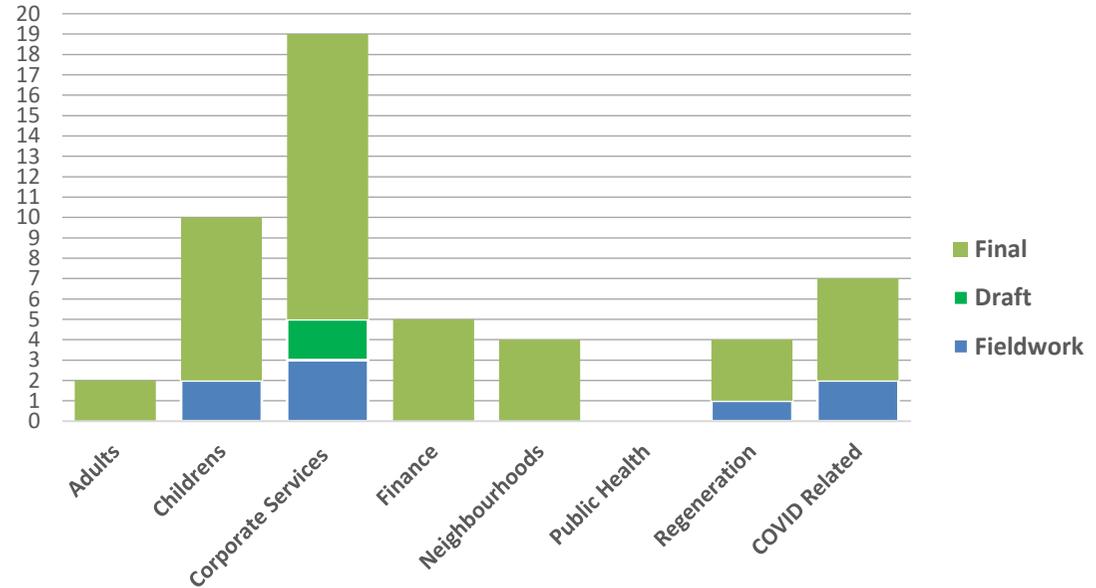


6. Audit Plan Progress

Status Overall



Status By Directorate*



Status (including follow-ups)	Audits
Fieldwork	9
Draft	3
Final	41
TOTAL*	53

* Certifying Supporting Families grants is carried throughout the year; included in fieldwork totals above.

There were 62 reviews set out in the revised Audit Plan for 2020/21, post COVID19. There have subsequently been changes, primarily due to COVID19, with a number of reviews suspended; currently there are 53 reviews included in the programme of work. All reviews currently included in the 2020/21 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.

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.



7. Audits in Period

One report finalised since the last Internal Audit report presented to Audit Committee in November 2020 have been rated as ‘limited assurance’. A fuller summary for this report is provided for Audit Committee below.

Children’s Disability Team				Overall Assurance Level	Assurance Level by Scope Area																		
Exceptions Raised <table border="1"> <tr> <td>Critical</td> <td>High</td> <td>Medium</td> <td>Low</td> </tr> <tr> <td>0</td> <td>1</td> <td>5</td> <td>2</td> </tr> </table>				Critical	High	Medium	Low	0	1	5	2	Limited Assurance Agreed actions are scheduled to be implemented by the 31 st July 2021	<table border="1"> <tr> <td>Achievement of strategic objectives</td> <td>NAT</td> </tr> <tr> <td>Compliance with Policies, Laws & Regulations</td> <td>Reasonable Assurance</td> </tr> <tr> <td>Safeguarding of Assets</td> <td>Limited Assurance</td> </tr> <tr> <td>Effectiveness and Efficiency of Operations</td> <td>NAT</td> </tr> <tr> <td>Reliability and Integrity of Data</td> <td>NAT</td> </tr> </table>	Achievement of strategic objectives	NAT	Compliance with Policies, Laws & Regulations	Reasonable Assurance	Safeguarding of Assets	Limited Assurance	Effectiveness and Efficiency of Operations	NAT	Reliability and Integrity of Data	NAT
Critical	High	Medium	Low																				
0	1	5	2																				
Achievement of strategic objectives	NAT																						
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Effectiveness and Efficiency of Operations	NAT																						
Reliability and Integrity of Data	NAT																						

Personal budgets are provided by the Council to enable children with disabilities to source care, utilising a prepaid card system since 2019. This audit reviewed both the governance over approving/reviewing budgets/spending plans and the day to day management of personal budget accounts. Currently, the service supports 46 clients using prepaid cards which allows good oversight and monitoring. Six of the key findings relate to adequate provision of, and adherence to documented processes; account monitoring in particular, which if client numbers were to increase could see risks materialising.

A Resource Panel process is in place to govern the set-up and amendment of client accounts. Adherence to this process has been significantly impacted during the pandemic period. An exception has been raised to review the panel quorum, ensure panel documentation contains all necessary details to ensure there is accountability for decisions and that spending plans follow a consistent format to support account monitoring. Evidence trails for panel decision making also requires improvement, as decisions were not always appropriately documented on spending plans, the panel spreadsheet and computer system ICS.

There is a lack of suitable processes detailing the frequency and expected outcomes of account monitoring. Accounts may be audited too frequently and due to lack of agreed protocol, monitoring is not effective at ensuring balances are kept within acceptable limits, 14 out of 15 accounts reviewed contained a surplus balance. The service will be considering various options, including the calculation of account maximum balances, payment caps, suspending payments and an acceptable method of calculating and reclaiming surpluses; all of which will form an agreed process, allowing the monitoring team autonomy to address identified surpluses.



Further issues were identified regarding documentation referring to personal assistants, out of date clauses in Direct Payment Agreements and the need to put a service level agreement in place with Health, outlining account monitoring responsibilities, where Continuing Healthcare Funding is paid. Minor enhancements could also be made to the Service’s pay run process by automating pay runs, to reduce the potential for human error and introducing prepaid card wallet reconciliations.

The summary below is for the original review of Public Health Funerals. Due to delays in finalisation fieldwork for this area progressed to follow-up, without the initial report being issued as final. A summary of the findings from the original fieldwork is provided below for context, with a summary of the findings from follow-up fieldwork presented further below.

Public Health Funerals (Community Funerals)				Overall Assurance Level	Assurance Level by Scope Area																		
Exceptions Raised <table border="1"> <tr> <td>Critical</td> <td>High</td> <td>Medium</td> <td>Low</td> </tr> <tr> <td>0</td> <td>3</td> <td>2</td> <td>0</td> </tr> </table>				Critical	High	Medium	Low	0	3	2	0	Limited Assurance	<table border="1"> <tr> <td>Achievement of strategic objectives</td> <td>NAT</td> </tr> <tr> <td>Compliance with Policies, Laws & Regulations</td> <td>Limited Assurance</td> </tr> <tr> <td>Safeguarding of Assets</td> <td>Limited Assurance</td> </tr> <tr> <td>Effectiveness and Efficiency of Operations</td> <td>Limited Assurance</td> </tr> <tr> <td>Reliability and Integrity of Data</td> <td>NAT</td> </tr> </table>	Achievement of strategic objectives	NAT	Compliance with Policies, Laws & Regulations	Limited Assurance	Safeguarding of Assets	Limited Assurance	Effectiveness and Efficiency of Operations	Limited Assurance	Reliability and Integrity of Data	NAT
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Reliability and Integrity of Data	NAT																						

When an individual dies and nobody can be identified to register the death, instruct the funeral director, secure the assets of the deceased and cover funeral expenses, this responsibility falls to the Council under the Public Health (Control of Diseases) Act 1984.

The highest risk issues identified are the use of a single funeral director for a number of years, breaching procurement rules, due to aggregate spend (whole life costs over £10,000 require a formal tendering process) and weaknesses in the Council’s approach to searching deceased individuals’ properties, record keeping and storage/securing of items removed. Most significantly details for items removed are vague, leaving the service open to challenge and finally the security arrangements for the secure storage of items is in need of enhancement.

Lower risk issues relate to inaccurate documentation (this identifies that the funeral service was tendered; as above it was not) and potentially inaccurate recording of officer time, leading to potential challenge around recovery of costs from deceased estates (time spent is estimated only).



The Council needs to normalise the funeral service and to enhance its approach to how deceased individuals properties are searched, items removed are recorded and secured. Currently this area exposes the Council to allegations of fraud, which could not be credibly refuted.

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

Annual Governance Statement (AGS)				Overall Assurance Level	Assurance Level by Scope Area									
Exceptions Raised <table border="1"> <tr> <td>Critical</td> <td>High</td> <td>Medium</td> <td>Low</td> </tr> <tr> <td>n/a</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> </table>				Critical	High	Medium	Low	n/a	n/a	n/a	n/a	Assurance	Achievement of strategic objectives	NAT
Critical	High	Medium	Low											
n/a	n/a	n/a	n/a											
				Compliance with Policies, Laws & Regulations	NAT									
					Safeguarding of Assets	NAT								
					Effectiveness and Efficiency of Operations	NAT								
					Reliability and Integrity of Data	Assurance								

This replicates similar work, carried out at other council in the Internal Audit Partnership, to validate assertions made in the AGS. Fieldwork involved surveys of senior management (based on good practice guidance, for example from CIPFA), followed up through sample testing, largely drawn from central systems, for example the Contract Database. Sample testing concluded that the data underpinning the AGS is reliable.

Deputyship and Appointeeships				Overall Assurance Level	Assurance Level by Scope Area									
Exceptions Raised <table border="1"> <tr> <td>Critical</td> <td>High</td> <td>Medium</td> <td>Low</td> </tr> <tr> <td>0</td> <td>1</td> <td>2</td> <td>3</td> </tr> </table>				Critical	High	Medium	Low	0	1	2	3	Reasonable Assurance	Achievement of strategic objectives	Reasonable Assurance
Critical	High	Medium	Low											
0	1	2	3											
				Compliance with Policies, Laws & Regulations	Reasonable Assurance									
					Safeguarding of Assets	Reasonable Assurance								
					Effectiveness and Efficiency of Operations	Reasonable Assurance								
					Reliability and Integrity of Data	Limited Assurance								

The most significant issue identified is a current lack of account reconciliations, pending introduction of a new software system. Other issues identified relate to formalising the service's response to the recent Office of the Public Guardian review through an action plan, minor inconsistencies in documentation, addressing the current scanning backlog and introducing automation to manage payments to prepaid cards.



COVID Income Lost Compensation Claim

Exceptions Raised

Critical	High	Medium	Low
0	0	0	0

Overall Assurance Level

Assurance

Assurance Level by Scope Area

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

As part of its COVID-19 response central government launched a Local Government Income Compensation scheme. The purpose of the scheme is to compensate authorities for lost income from sales, fees and charges that have been impacted by lockdown, government restrictions and social distancing measures. Further returns are due in December and April.

Internal Audit verified the amounts/ type of income losses to be claimed and tested. Having completed the review Internal Audit have not found any issues with the Authority's return, however two areas where losses are being claimed were highlighted to be kept under review to ensure that they are appropriate.

No testing has been completed to verify the accuracy of the figures being claimed as these are estimated figures, the final return will be subject to a full reconciliation exercise when actual figures are known.

Additional Dedicated Home to School and College Transfer Grant

Exceptions Raised

Critical	High	Medium	Low
0	0	0	0

Overall Assurance Level

Assurance

Assurance Level by Scope Area

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

Testing was able to evidence that the terms and conditions of the grant had been met enabling the Chief Internal Auditor to sign the declaration confirming the grant conditions had been complied with.



Infection Control Grant

Exceptions Raised

Critical	High	Medium	Low
0	0	1	0

Overall Assurance Level

Reasonable Assurance

Assurance Level by Scope Area

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

In 2020/21 Isle of Wight Council was awarded £2,584,973 as part of the Adult Social Care Infection Control Fund Ring-Fenced Grant 2020. Internal Audit performed a number of tests on the framework established to meet the grant conditions which relate to payments to Adult Social Care Providers during the COVID 19 pandemic. Additional controls were recommended to enhance the arrangements in place these included that:

- Payments are only made where a signed agreement is in place.
- That future provider payments are made only on full expenditure of previous payments, as per grant conditions.
- Provision is made to repay any returned or rejected funding.
- Improvement is made in the quality of management trails that would enable more expedient compliance monitoring.

As the government have now extended the Infection Control Fund to ensure care homes have the resources they need to halt transmission of COVID-19 throughout winter, Internal Audit will work collaboratively with Adult Social Care over the duration of the grant extension, to ensure that providers are able to supply appropriate evidence to support payments made using the grant funding

Insurance

Exceptions Raised

Critical	High	Medium	Low
0	2	6	0

Overall Assurance Level

Reasonable Assurance

Assurance Level by Scope Area

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



The most significant issue identified through this review are potential errors/gaps in insurance cover, both applicable to core Council functions and to its wider property portfolio (where lessees are required to hold insurance cover). However, the majority of Council risks are 'self-insured', up to a value of £200,000 in most instances and highway related claims (historically the highest volume area) are the responsibility of Island Roads. While the Council's approach needs to be normalised, so that it is clear what the Council actually needs in terms of insurance and that it has appropriate arrangement in place, this does reduce the associated risk.

Other issues identified relate to the need to improve management/oversight of insurance contracts, gaps in procedural documentation, limited performance monitoring/management oversight and an inconsistent approach to recharging services for insurance cover.



8. Follow-up Audits in Period

Updates are provided below for follow-up activity, finalised since the last meeting of the Audit Committee in November 2020.

Paris				Original Action Date: March 2020	Original Assurance Level	Follow-up Assurance Level
Original Exceptions Raised				Revised Action Date: March 2021	Reasonable Assurance	Reasonable Assurance
Critical	High	Medium	Low			
0	1*	3	1			

* One high risk finding followed up; additional high risk finding raised below.

Progress with some areas has been delayed, due to changes in senior staff. The Council also needs to take action, to mitigate risks associated with system availability, both short and longer term.

1	High	Disaster Recovery Action closed, due to changes negating the Council's ability to progress original actions; substituted with finding six below.	Closed
2	Medium	Governance/Roles and Responsibilities Action related to clarifying business responsibility regarding Paris; not progressed, due to changes in senior staff responsible.	In Progress
3	Low	Change Management Assignment of support calls within IT, to Paris team, have been streamlined, supporting timely response.	Closed
4	Medium	Starters and Movers Partially addressed; restructure within Adults is substantively complete, work is ongoing, to fully align roles with structure in Paris.	In Progress
5	Medium	Leavers Managers have been reminded of the importance of reassigning cases as soon as possible when staff leave, to facilitate Paris accounts being closed in a timely manner.	Closed
6	High	Paris/Future Core Service System This new finding identifies steps the Council needs to take, to ensure continued access to an appropriate system to support service delivery, both short and longer term.	New



Contract Management

Original Exceptions Raised

Critical	High	Medium	Low
0	0	3	0

Original Action Date: March 2020
Revised Action Date: N/A

First Follow-up Level

Reasonable Assurance

Second Follow-up Level

Assurance

All issues originally identified have been substantively addressed, with further enhancements identified and ongoing.

1	Medium	Contract Population Contract databased has been cleansed, to remove duplicates and expired contracts.	Closed
2	Medium	Implementation Action Plan A realistic implementation plan is in place, with sustained progress being made to improve the Council's approach to Contract Management.	Closed
3	Medium	Existing Contracts Issues originally identified with specific contracts have been addressed, for example where contract copies could not be located; as above, enhancement work regarding Contract Management is ongoing.	Closed

Social Media*

Exceptions Raised

Critical	High	Medium	Low
0	0	1	1

* Original review covered Social Media and CCTV, this summary and revised assurance level applies to Social Media only; CCTV will be covered in a future report.

Original Assurance Level

Limited Assurance*

Follow-up Assurance Level

Reasonable

Both Social Media actions agreed in 2018/19 and the Council's response to the recent Investigating Powers Commissioner's Office (IPCO) inspection are substantively complete.

1	Low**	Investigating Powers Commissioner's Office (IPCO) Recommendations Recommendations made by IPCO have been addressed, primarily by revising the Council's RIPA Policy, to reference current legislation and to incorporate arrangements for non RIPA investigations. Revised Policy is currently in draft, pending approval/finalisation.	N/A **
2	Medium***	2018/19 Social Media Actions	In Progress***



The Covert Surveillance Policy has been updated and a formal record of training delivered is now maintained. Action to reinforce corporate expectations as to how social media is use within Children’s Services has been delayed, due to COVID19.

*** This is a new finding (addition to follow-up scope), covering response to recent Investigating Powers Commissioner’s Office (IPCO) inspection. Risk rating relates to actions outstanding.
 *** Update above covers actions documented in multiple findings in original audit. Risk rating relates to actions outstanding.*

Council Tax & NNDR

Original Exceptions Raised				Original Assurance Level	Follow-up Assurance Level
Critical	High	Medium	Low	Reasonable Assurance	Assurance
0	1	1	1	➔	

All actions raised in original review have been addressed.

1	Low	Timely Billing Additional checks have been introduced, to ensure that bills are raised in a timely manner.	Closed
2	High	Review of Discounts and Exceptions A third party review has been undertaken on Single Person Discounts and reminders were issued to taxpayers, highlighting the requirement to notify the Council of changed circumstances.	Closed
3	Medium	Recovery Action Specific cases flagged in original finding have all been addressed appropriately.	Closed



General Data Protection Regulation (GDPR)

Original Exceptions Raised

Critical	High	Medium	Low
0	0	4	0

Original Action Date: March 2020
Revised Action Date: N/A

First Follow-up Level

Reasonable Assurance



Second Follow-up Level

Assurance

The Council has committed considerable resources to GDPR since the 2018/19 review, with good progress being made in all areas; all agreed actions are now substantively complete.

1	High	<p>Information Asset (IA) Registers The IA Register template has been revised and all services have now updated their IA Registers.</p>	Closed
2	High	<p>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 complaint use for some systems.</p>	Closed
3	High	<p>Contracts All GDPR issues with contracts over £25,000 have substantively been addressed. One contract, while updated, is pending finalisation.</p>	Closed
4	Medium	<p>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.</p>	Closed
5	Medium	<p>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.</p>	Closed
6	Medium	<p>Core Documentation The 2016 Protective Marking and 2017 Retention policies have been reviewed and updated.</p>	Closed



Regulatory Compliance

Original Exceptions Raised

Critical	High	Medium	Low
0	4	1	0

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

First Follow-up Level

Limited Assurance



Second Follow-up Level

Reasonable Assurance

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. Progress continues to be made; however this has been delayed by COVID19.

1	High	<p>Formalising Services A contract for Water Safety services is now in place. Formalising other building safety services, for example covering Fire Risk Assessments (FRAs) are still sourced individually, as and when required.</p>	In Progress
2	High	<p>Fire Risk Assessment Register FRAs have been provided to managers of sites providing care services, with follow-up by the central property team, to confirm that recommendation requiring a local response have been addressed appropriately.</p>	Closed
3	High	<p>Water Risk Assessment follow up The new provider (referenced in one above) has updated WRAs for all Council properties. Further work is necessary, to review recommendations, confirm and approve how the Council will respond to recommendations following an assessment.</p>	In Progress
4	High	<p>Supporting Systems The new system to manage building safety (identified at first follow-up) shows that the number of Council properties requiring updated FRAs has reduced to four.</p>	In Progress
5	Medium	<p>Monitoring of Schools Subsequent to the specific, in-year audit of School Landlord Responsibilities a clear escalation process is in place, to resolve any issues regarding compliance with landlord responsibilities by schools.</p>	Closed



Bembridge Primary School

Original Exceptions Raised

Critical	High	Medium	Low
0	4	2	0

Original Assurance Level

Limited Assurance

Follow-up Assurance Level

Reasonable Assurance



Good progress has been made across most areas, although there have been some delays caused by COVID19.

1	High	Organisation of Responsibility & Accountability Governing Body minutes are now available on the school's website, with appropriate oversight now in place over the school budget and wider School Financial Value Standard (SFVS) return.	Closed
2	High	Lettings Letting charges have been approved by the Governing Body, which include the requirements that hirers provide evidence of a current/valid insurance policy, DBS evidence (where necessary) and payment in advance.	Closed
3	High	Disaster Recovery Plan Work has started to update/revise disaster recovery plan but these have been delayed, due to COVID19.	In Progress
4	Medium	E-Safety Policy Governors and staff have signed copies of the E-Safety Policy; the Policy is published on the school's website.	Closed
5	Medium	Inventory An up to date asset register is in place, with a backup copy kept in a fireproof safe.	Closed
6	High	Retention of Confidential data Records are now stored securely. However, a follow-up finding has been raised, for the school to review its arrangements, to ensure compliance with GDPR, in relation to the retention of certain records.	Open



Public Health Funeral (Community Funerals)

Original Exceptions Raised

Critical	High	Medium	Low
0	3	2	0

Original Assurance Level

Limited Assurance

Follow-up Assurance Level

Reasonable Assurance



Good progress has been made across most areas, although there have been some delays caused by COVID19.

1	Medium	Procedures-Procurement Procedure documentation has been reviewed and updated, specifically to align with Council procurement rules.	Closed
2	High	Adequate Records of Property Searches Sample testing limited due to COVID19; some improvement but gaps in records are still present.	In Progress
3	High	Security and Disposal of Items Sample testing not possible due to COVID19.	In Progress
4	High	Procurement Process Procurement of a Funeral Director, in line with Council procurement rules, is in progress.	In Progress
5	Medium	Expenses are accurately recharged Procedure documentation makes it clear the all actions and time take should be recorded, with agreed charge out rates in place, along with supporting details as to how these were arrived at.	Closed



IT General Controls (ITGC), Transfers & Disaster Recovery (DR)

Original Exceptions Raised*

Critical	High	Medium	Low
0	3	5	2

* Across all reviews

Original/First Assurance Level

Reasonable Assurance**

Follow-up Assurance Level

Reasonable Assurance

** ITGC raised to reasonable at first follow-up, Transfers and DR reasonable, when first reviewed.

A total of seven findings, across three IT audits are currently open, out of 10 findings raised. Progress with originally agreed actions has been significantly delayed due to COVID19 and a number of actions are no longer realistic, due to developments outside of the Council’s control. To ensure IT is best focussed on addressing related risks replacement actions have been agreed, to be followed up in Q4 2021/22; this also provides an opportunity to rationalise, addressing duplication and overlap between actions from original audits. A summary of open actions across reviews is provided below.

1	High	<p>IT Training</p> <p>Training completion rates are still lower than desirable, primarily due to COVID19. Follow-up will include confirming that managers/directors are taking ownership of ensuring training is completed, with demonstrable improvements in completion rates.</p>
2	High	<p>IT Disaster Recovery (duplicate findings in ITGC and DR audits)</p> <p>Original actions/timeframes are no longer realistic, due to delays fully commissioning the recovery site, linked both to COVID19 and contractual issues. Follow-up will focus on ensuring that services have up to date, tested DR arrangements in place, to maintain service in the event of sustained IT outages.</p>
3	Medium	<p>Submission of HR Information by Line Managers/Performance</p> <p>This finding has been partially addressed, with increased support provided to line managers by the Business Centre. Implementing a performance framework for IT response has been delayed, due to new IT Service Desk software. Follow-up will be informed by any in-year changes to wider recruitment processes.</p>
4	High	<p>Incorrect Access/Shared Drives (duplicate findings in ITGC and Transfers audits)</p> <p>Actions to detect and address incorrect access (primarily implementing role-based access) have been delayed, due to COVID19. The wider issue of shared drives needs a longer-term response plan, linked to implementing Office 365. Follow-up will ensure that detective control are in place/operating effectively to detect incorrect access, supported by a longer term plan to address shared drive issues through completing migration to Office 365.</p>



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 2020/21 Audit Plan (revised, post COVID19) 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
Children with Disability	Childrens Services > Social Care	Final	Q2	Q3	Limited	Review rescheduled to Q3, due to COVID19.
Greenmount	Childrens Services > Education	Fieldwork	Q3	Q4		Review rescheduled to Q4, due to COVID19.
Wroxall	Childrens Services > Education	Fieldwork	Q3	Q4		Review rescheduled to Q4, due to COVID19.
Deputyships/ Appointeeships	Adult Services >	Final	Q3	Q3	Reasonable	
Safeguarding (ASC)	Adult Services >	Suspended	Q4	-		Suspended due to COVID19; will be revisited in Adult Plan scoping for future years.
Accounts Payable (AP)	Corporate Services > Business Centre	Draft	Q3	Q3		
Accounts Receivable (AR)	Corporate Services > Business Centre	Fieldwork	Q3	Q3		
Bank and Cash	Corporate Services > Business Centre	Fieldwork	Q3	Q3		
Council Tax and NNDR	Corporate Services > Business Centre	Final	Q3	Q3	Assurance	Scope reduced to follow-up only
Payroll	Corporate Services > Business Centre	Fieldwork	Q3	Q3		
Housing Benefits	Corporate Services > Business Centre	Suspended	Q3	-		Minimal issues identified during 2019/20; suspended for 2020/21, due to COVID19.
Insurance	Corporate Services > Legal Services	Final	Q2	Q2	Reasonable	



Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
Council Digital Strategy (New iwight.com)	Corporate Services > IT	Draft	Q3	Q3		
Ethics	Corporate Services > Democratic Services	Suspended	Q3	-		Suspended due to COVID19; will be revisited in Adult Plan scoping for future years.
Freedom of Information (FOI)/Subject Access Requests (SARs)	Corporate Services > Legal Services	Final	Q2	Q2	Limited	
Modern Slavery	Corporate Services > Legal Services	Final	Q2	Q2	Reasonable	
Annual Governance Statement (AGS)	Corporate Services > Business Effectiveness	Final	Q3	Q3/Q4	Assurance	
Contracts	Corporate Services > Legal Services	Final	Q2	Q2	Reasonable	Originally scheduled for 2019/20; postponed to 2020/21 due to COVID19. This audit focussed on the Council's arrangements to source agency staff.
Homes in Multiple Occupancy (HMOs)	Neighbourhoods > Regulatory Services	Suspended	Q3	-		Suspended due to COVID19; rescheduled for 2021/22.
Asset Management (Property)	Regeneration > Property	Suspended	Q4	-		Suspended due to COVID19; will be revisited in Audit Plan scoping for future years.
School (Landlord)/Asbestos	Regeneration > Property	Final	Q2	Q2	Limited	
Financial Management (Regeneration)	Regeneration	Suspended	Q3	-		Suspended due to COVID19; will be revisited in Audit Plan scoping for future years.
Island Plan	Regeneration > Planning	Suspended	Q3	-		Suspended due to COVID19; will be revisited in Audit Plan scoping for future years.



Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
School Financial Management Standard (SFVS)	Finance	Final	Q1	Q1	Reasonable	



Audit	Directorate > Service	Status	Projecte d	Actual/ Revised	Assurance Level	Comments
Follow-up Reviews; actions raised in 2019/20 audits						
During 2020/21 Internal Audit will follow-up all findings raised during 2019/20, rated as medium risk or higher. For each applicable 2019/20 audit separate follow-up reviews will be carried out during 2020/21, in four phases from quarter one, as detailed below.						
Beaulieu House	Childrens Services > Social Care	Suspended	Q4	-		Postponed to 2021/22, due to COVID19.
Bembridge Primary School	Childrens Services > Education	Final	Q3	Q3	Reasonable	
Independent Fostering	Childrens Services > Social Care	Final	Q1	Q1	Assurance	
Direct Payments/Personal Budgets	Adult Services > Contract Management	Suspended	Q4	-		Suspended due to COVID19; rescheduled for 2021/22.
Pension Administration	Corporate Services > Business Centre	Final	Q2	Q2	Reasonable	
IT System: Paris	Corporate Services > IT	Final	Q3	Q3	Reasonable	
IT Transfers	Corporate Services > IT	Final	Q3	-	Reasonable	Not all original actions are now viable. Agreed replacement actions will be followed up by a review in 2021/22, covering all outstanding IT follow-up.
IT DR	Corporate Services > IT	Final	Q3	-	Reasonable	Not all original actions are now viable. Agreed replacement actions will be followed up by a review in 2021/22, covering all outstanding IT follow-up.
Beach Huts	Neighbourhoods > Commercial Services	Final	Q1	Q1	Reasonable	
Leisure Centres	Neighbourhoods > Leisure	Suspended	Q4	-		Suspended due to COVID19; rescheduled for 2021/22.



Audit	Directorate > Service	Status	Projecte d	Actual/ Revised	Assurance Level	Comments
Water Safety	Neighbourhoods > Commercial Services	Final	Q1	Q1	Reasonable	
Public Health Funerals (Community)	Neighbourhoods > Regulatory Services	Final	Q4	Q4	Reasonable	
Section 106 Agreements	Regeneration > Property	Draft	Q3	Q4	Reasonable	Delayed to Q4, due to COVID19.
Newport Harbour	Regeneration	Fieldwork	Q4	Q4		
Public Health Outcomes	Public Health	Suspended	Q3	Q4		Delayed to Q4, due to COVID19.
Treasury Management	Finance	Final	Q2	Q2	Assurance	



Audit	Directorate > Service	Status	Projecte d	Actual/ Revised	Assurance Level	Comments
Second Follow-up Reviews; actions raised in 2018/19 audits						
Due to either a high number of actions remaining 'open' from 2019/20 follow-up, or follow-up reviews being suspended during 2019/20 due to COVID19, additional follow-up reviews have been scheduled for 2020/21, as detailed below.						
Home to School Transport	Childrens Services > Education	Suspended	Q3	-		Suspended due to COVID19; rescheduled for 2021/22.
Special Education Needs & Disability	Childrens Services > Education	Final	Q2	Q2	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
School: Barton	Childrens Services > Education	Final	Q2	Q2	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
School: Binstead	Childrens Services > Education	Final	Q2	Q2	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
School: Hunnyhill	Childrens Services > Education	Final	Q2	Q2	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
Looked after Children (LAC)	Childrens Services > Social Care	Final	Q2	Q3	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
Domiciliary Care	Adult Services >	Final	Q2	Q3	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
Contract Management	Corporate Services > Legal Services	Final	Q2	Q2/Q3	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
IT General Controls	Corporate Services > IT	Final	Q2	-	Reasonable	Not all original actions are now viable. Agreed replacement actions will be followed up by a review in 2021/22, covering all outstanding IT follow-up.



Audit	Directorate > Service	Status	Projecte d	Actual/ Revised	Assurance Level	Comments
General Data Protection Regulation (GDPR)	Corporate Services > Legal Services	Final	Q2	Q2/Q3	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
Social Media & CCTV	Corporate Services > Legal Services	Final*	Q3	Q4	Assurance*	* Social Media coverage only finalised, CCTV scope elements will be covered in a future report; status and assurance left apply to Social Media only.
Income Management (Floating Bridge)	Neighbourhoods > Commercial Services	Final	Q2	Q2	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.
Regulatory Compliance	Regeneration > Property	Final	Q3	Q4	Reasonable	Additional follow-up, due to actions not being fully closed in 2019/20.
Asset Management	Regeneration > Property	Suspended	Q3	-		Postponed to 2021/22 due to COVID19.
Nicholson Road	Regeneration	Final	Q2	Q2	Assurance	Additional follow-up, due to actions not being fully closed in 2019/20.



Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
Grant and Claim Verifications						
A number of grants and claims require verification by Internal Audit; these are detailed below.						
Grant Verification: Supporting Families	Childrens Services > Social Care	Ongoing	All	All		Certification is carried out in-years.
Grant Verification: Bus Subsidy	Finance	Final	Q2	Q2	Assurance	
Grant Verification: Disabled Facilities	Finance	Final	Q2	Q2	Assurance	
Grant Verification: Local Transport Capital Funding	Finance	Final	Q2	Q2	Assurance	
Lifeline Grant	COVID Related	Final	Q2	Q2	Assurance	Further review is scheduled for 2021/22, regarding additional funding from central government.
Test & Trace Grant	COVID Related	Fieldwork	Q2	Q4		Fieldwork ongoing, due to delays in evidence being provided.
Infection Control Grant	COVID Related	Final	Q2	Q2/3	Reasonable	Reasonable Assurance on framework to administer only.
COVID Bus Services Revenue Grant	COVID Related	Final	Q2	Q2	Assurance	
Additional Dedicated Home to School and College Transfer Grant	COVID Related	Final	Q3	Q3	Assurance	



Audit	Directorate > Service	Status	Projected	Actual/ Revised	Assurance Level	Comments
COVID Income Lost Compensation Claim	COVID Related	Final	Q3	Q3	Assurance	Assurance provided for Stage One in 2020/21; Further work is scheduled for 2021/22, regarding the Stage Two award.
Assurance Reporting	COVID Related	Fieldwork	Q2	Q2-4		Post COVID 19 Central Government requirement - envisage will cover provider payment, equipment distribution, vouchers etc..