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TRAFFORD COUNCIL

Report to: **Accounts and Audit Committee**
Date: **20 June 2018**
Report for: **Information**
Report of: **Audit and Assurance Manager**

Report Title

Annual Report of the Head of Internal Audit 2017/18

Summary

The purpose of the report is:
- To provide an opinion on the overall adequacy and effectiveness of the Council's control environment (which encompasses internal control, risk management and governance) during 2017/18.
- To provide a summary of the work of the Audit and Assurance Service during 2017/18.

Recommendation

The Accounts and Audit Committee is asked to note the report.

Contact person for access to background papers and further information:

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Background Papers:

None

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Audit & Assurance Service

Annual Report of the Head of Internal Audit 2017/18

June 2018

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Part One - Overview of Work Completed and Main Conclusions

<u>**SUMMARY AND OVERALL OPINION**</u>

The Annual Report of the Head of Internal Audit sets out details of the work of the Audit and Assurance Service during 2017/18. The most important aspect of the Annual Audit Report is to give an independent and objective opinion as to the overall adequacy and effectiveness of the Council's control environment during 2017/18.

Internal Audit is a statutory function and the Audit and Assurance Service carried out its work in 2017/18 in general conformance with the Public Sector Internal Audit Standards.

Through its work, the Audit and Assurance Service aims to provide support to the organisation in its aim to maintain effective governance arrangements and a sound control environment; ensure effective systems are in place to manage risks including the risk of fraud and also demonstrate value for money.

Recommendations made in internal audit reports and guidance/advice provided are key mechanisms for identifying improvement actions required by the organisation. The Audit and Assurance Service also follows up the implementation of recommendations to ensure that improvements are actually occurring.

The Audit Opinion is based on internal audit work undertaken during the year. It is an important component of the Council's Annual Governance Statement which will accompany the Council's Annual Accounts for 2017/18. It should be noted that the report relates to areas reviewed by Internal Audit up to 31 March 2018. Any further issues relating to work undertaken after that time are covered in future update reports through the year to the Corporate Leadership Team and the Accounts and Audit Committee.

Based on internal audit review work undertaken and other sources of assurance for 2017/18, the Internal Audit Opinion is that, overall, the control environment encompassing internal control, risk management and governance, is operating to a satisfactory standard.

Follow up work in areas previously reviewed demonstrates that continuing improvements in controls are being made to address risks previously identified. Where areas for improvement have been identified during 2017/18, actions have been agreed with management which will be followed up in 2018/19.

1. INTRODUCTION AND BACKGROUND

1.1 The purpose of the Annual Report of the Head of Internal Audit is to detail the work of the Audit and Assurance Service during 2017/18. The report provides an opinion as to the overall adequacy and effectiveness of the Council's control environment during 2017/18.

1.2 Internal Audit is a statutory function and must undertake its work in accordance with the Public Sector Internal Audit Standards (PSIAS). It is a requirement of PSIAS that an annual internal audit report is written and presented to the organisation.

1.3 The Audit and Assurance Service is within Financial Services in the Transformation and Resources Directorate. The Audit and Assurance Manager reports to the Chief Finance Officer (Section 151 Officer).

1.4 During 2017/18, the establishment of the Audit and Assurance Service comprised 6.87 full time equivalent (FTE) staff. In addition to the Audit and Assurance Manager, the Service staffing structure consisted of the following:
- 2 Principal Audit and Assurance Team Leaders (2FTE)
- 1 Principal Audit and Assurance Officer (0.87FTE during 2017/18)
- 2 Senior Audit and Assurance Officers
- 1 Audit and Assurance Officer.

1.5 In addition to in-house resources, Salford Internal Audit Services provided support in respect of elements of the ICT Internal Audit Plan. The Audit and Assurance Service also worked with other Internal Audit providers where appropriate such as Stockport and Rochdale Councils in respect of the STAR Shared Procurement Service.

1.6 The approach to internal audit work adopted at Trafford is set out in the Internal Audit Charter and Strategy which were updated in March 2018 and approved by the Corporate Leadership Team (CLT) and the Accounts and Audit Committee. The Internal Audit Charter describes the purpose, authority and principal responsibilities of the Internal Audit function provided by the Audit and Assurance Service. The Internal Audit Strategy describes the arrangements in place to deliver internal audit so as to ensure that the objectives and scope of the Service are met, thereby enabling Internal Audit to provide an opinion on the operation of the control environment. The Strategy covers audit resources, planning, service delivery and reporting.

2. INTERNAL AUDIT OPINION FOR 2017/18

2.1 The Head of Internal Audit is required to give an annual Opinion on the adequacy and effectiveness of the Council's internal control environment. The opinion supports the Annual Governance Statement. The Opinion for 2017/18 is as follows.

> **Based on internal audit review work undertaken and other sources of assurance for 2017/18, the Internal Audit Opinion is that, overall, the control environment encompassing internal control, risk management and governance, is operating to a satisfactory standard.**
>
> **Follow up work in areas previously reviewed demonstrates that continuing improvements in controls are being made to address risks previously identified. Where areas for improvement have been identified during 2017/18, actions have been agreed with management which will be followed up in 2018/19.**

2.2 Factors determining the opinion are as follows

- Audit Opinion reports were issued through the year covering a range of services, functions, systems and processes including financial system audits, ICT Audits, schools and establishment reviews, service reviews and procurement/contracts related reviews. (See Section 4 and Appendices A to C). Of the 32 final audit reports issued during the year (which included 12 schools), 88 % of opinions stated that at least an adequate level of control was in place. Excluding schools, 95% of opinions in reports were at least adequate (See 3.5).

- For all final reports issued, action plans were agreed to implement recommendations made with the aim of improving arrangements for governance, risk management and internal control. Most recommendations made (98%) have been agreed by management (See 5.3 to 5.5).

- A number of areas identified in the previous year as requiring improved standards of control were followed up by Audit in 2017/18 and significant progress had been made in implementing recommendations. Follow up review work undertaken during the year has identified that, overall, of the areas reviewed 95% of recommendations previously made had been either fully or partially implemented (see 5.6 to 5.10 for an analysis of follow up audit reviews both for Council and schools related reviews).

- Key strategic risks have continued to be monitored through the year. Audit and Assurance has contributed to the review and update of the Strategic Risk Register which has been reported to the Corporate Leadership Team and the Accounts and Audit Committee. Consideration is being given to future risk management reporting arrangements to take account of the integration of the Council with Trafford Clinical Commissioning Group (Trafford CCG) (See 4.2).

- Further to co-ordinating the completion of the 2016/17 Annual Governance Statement (AGS), the Audit and Assurance Service has worked with Legal and Democratic Services to assist in planning the approach and timetable for the production of the

Council's 2017/18 AGS. The 2016/17 AGS identified governance issues for 2017/18 and updates on each of these are to be provided in the 2017/18 AGS, which will be approved by July 2018 (See 4.1).

- The Audit and Assurance Service has continued to contribute to anti-fraud and corruption activity. The Service has investigated suspected cases of fraud and theft and, where applicable, associated review work has included reporting on recommended control improvements. The Service has co-ordinated work, in liaison with other services, in relation to the National Fraud Initiative (See 4.5).

- The Service continues to contribute to the Information Security Governance Board which through 2017/18 monitored progress against its Action Plan taking into account actions agreed following the audit by the Information Commissioner's Office in 2017 and developments required in preparation for the introduction of the General Data Protection Regulations (GDPRs) effective from 25 May 2018 (See 4.10.2).

2.3   A detailed analysis of the internal audit work undertaken by the Audit and Assurance Service during 2017/18 is provided in this report.

3.   <u>WORK PLANNED AND COMPLETED</u>

3.1   Total time allocated to carry out the Operational Plan was originally set at 1040 days for 2017/18 (with an additional contingency of 60 days). This was calculated by subtracting overheads, e.g. leave, sickness, training etc, from the time available to each auditor. See Appendix B for a summary of work planned against completed with a breakdown of days across categories of internal audit work. The actual number of days spent delivering the 2017/18 Annual Audit Plan was 1042. Details of planned work against actual are discussed further in Section 6.

3.2   It should be noted that in addition to the 1042 actual days, additional time was taken for other activities that are not attributable to one particular category of work but support the audit process. In 2017/18, this included time in preparing for and receiving the external assessment of Internal Audit by CIPFA (See Section 7). Other activities undertaken included continued support to the Accounts and Audit Committee, liaison with the External Auditor (Grant Thornton), networking with other North West Internal Audit groups to share good practice, and liaison with services to gather information in support of the production of the audit plan.

3.3   Details of the internal audit reports issued are shown in Appendix C. Further detail in relation to audit reports issued between April and December 2017 are detailed in the respective quarterly reports presented to CLT and the Accounts and Audit Committee during 2017/18. Appendix A provides detail in relation to reports issued during the final quarter of 2017/18.

Analysis of Audit Opinions

3.4   For each audit report issued, one of five possible opinions is given. The five opinions are also denoted as Red/Amber/Green. The table below shows the number of final reports issued during 2017/18 for each opinion level.

LEVEL OF ASSURANCE	R/A/G STATUS	DESCRIPTION	NUMBER OF FINAL REPORTS ISSUED 2017/18
High Level of Assurance (Very Good)	**Green**	Controls operating effectively to address all the major business risks identified at the time of the audit.	**6**
Medium / High (Good)	**Green**	Most business risks controlled effectively. However, there is need to improve controls in respect of a small number of high risk areas as well as for other risk areas.	**13**
Medium (Adequate)	**Green**	Most risk areas controlled effectively but control improvements required for some high risk areas as well as for other areas.	**9**
Low / Medium (Marginal)	**Amber**	Some business risks are controlled effectively. However, improvements are necessary to control a significant number of high risk areas.	**4**
Low (Unsatisfactory)	**Red**	Very high risk of fraud and error because a significant number of major business risks are not adequately controlled.	**-**
		TOTAL	**32**

3.5   As shown above, in respect of the 32 final audit reports issued during the year, an adequate or above (Green) level of assurance was given for 88% of the reviews (This compares to 95% in 2016/17). Excluding schools from the analysis, 19 of the 20 opinion reports issued were "Green" i.e. 95% (compared to 92% in 2016/17). There were four reviews completed where a less than adequate "Low/Medium" opinion was given (three of these are school audits). A full listing of reports issued and associated audit opinions is given in Appendix C.

3.6   It should be noted that whilst shown as "Green", where opinions of Medium or Medium/High have been given, a number of control improvements to manage risks have been identified and it is important that associated recommendations are addressed.

Other Assurance Provided Across the Council

3.7   A significant proportion of time spent does not result in the issue of formal internal audit reports. This is because the Audit and Assurance Service has contributed to a number of activities such as:
- Risk management (including facilitating the update of the Council's strategic risk register and contributing to the provision of Risk Management guidance).
- Anti-fraud and corruption (including co-ordinating the Council's work in supporting the National Fraud Initiative, contributing to the update of Council policies and guidance and contributing to investigation work).
- Facilitating the compilation of the Council's 2016/17 Annual Governance Statement (AGS) and working to assist Legal and Democratic Services in planning the approach for the production of the 2017/18 AGS.
- Reviewing a number of grant claims through the year as required.
- Contributing to the work of the Information Security Governance Board which met regularly through the year.
- Providing other guidance (which included updating of the dedicated site on the intranet for the Audit and Assurance Service which provides information and guidance).
http://cms.intranet.trafford.gov.uk/AuditAndAssurance/Audit-and-assurance.aspx

Breadth of Stakeholders

3.8   The Audit and Assurance Service liaises and shares internal audit findings and reports with a wide group of stakeholders within the organisation including Executive Members, the Accounts and Audit Committee, Corporate Leadership Team, managers across the Authority and External Audit.

Part Two – Detailed Findings

4. **DETAILED ANALYSIS OF WORK COMPLETED**

Section 2 gave the overall Internal Audit Opinion on the operation of the control environment during 2017/18, and provided a summary of internal audit work undertaken on which the opinion is based. This section provides a more detailed analysis.

4.1 **Governance**

4.1.1 The Audit and Assurance Service has a key role in promoting good governance and providing assurance on the standards of governance and internal control in the Authority.

4.1.2 The requirement to produce an Annual Governance Statement is set out in the Accounts and Audit Regulations (2015). The Service co-ordinated the production of the 2016/17 Annual Governance Statement in liaison with officers and members as set out in the approach / timetable agreed by the Accounts and Audit Committee. In order to complete this, the Service considered corporate governance arrangements with reference to the CIPFA/SOLACE Framework for Corporate Governance in Local Government. This included identifying sources of assurance to provide evidence that the Council's governance arrangements comply with the CIPFA/SOLACE framework. The framework consists of a set of principles relating to the Council's purpose/vision, the defining of functions and responsibilities, standards of conduct, management of risk, capacity and capability of members and officers, and engagement with the community and other stakeholders.

4.1.3 The 2016/17 Annual Governance Statement was approved in September 2017. In addition, the Service co-ordinated the update of the Council's Corporate Governance Code in accordance with the CIPFA / SOLACE guidance. Significant governance issues highlighted in the AGS for progression in 2017/18 included managing the Council's medium term financial position; the delivery of programmes and projects under as part of Vision 2031; the further development of information governance arrangements in light of new legislation and developments in business continuity arrangements. Updates on progress with each of these areas will be included in the 2017/18 AGS.

4.1.4 During the latter part of the year, as planned the Service worked with Legal and Democratic Services to commence a handover process whereby Legal and Democratic Services are providing a lead in collating the 2017/18 AGS. Audit and Assurance have contributed with other services to relevant elements of its content but are also developing a role in providing an independent review of the AGS against the CIPFA/SOLACE framework and guidance.

4.1.5 Audit and Assurance has liaised during the year with Legal and Democratic Services to review guidance in respect of gifts and hospitality. This included publicising existing guidance to staff on the intranet and also reviewing and considering further updates to the guidance. Proposed updates were drafted and shared with Legal and Democratic Services

and are to be considered further in 2018/19. The Services will also further review other policies and guidance that relate to aspects of governance and anti-fraud in 2018/19.

4.1.6   Another key area for Audit in relation to governance-related issues has been in contributing to the review of corporate developments in relation to information governance (See 4.7 and 4.10).

4.2   **Risk Management**

4.2.1   The Audit and Assurance Service continued to facilitate the review and update of the Council's strategic risk register through liaison with CLT. This ensures that the Council formally identifies and monitors the key risks to the achievement of Council objectives.

4.2.2   Reports detailing the risk register and key developments in the management of risks have been submitted to CLT through the year. The Accounts and Audit Committee were provided with updates in December 2017 and March 2018. In these updates new risks had been added to the register to reflect risks being managed as part of the Council's integration with Trafford CCG; implementation of the University Academy 92 and the Council's Investment Strategy.

4.2.3   Audit and Assurance also worked with the Council's Information Security Governance Board to provide input to the production of an Information Risk Management Policy and also assist in the process for facilitating the update of the Corporate Information Governance Risk Register through the year.

4.2.4   Towards the end of the year there was liaison with the CCG to start to consider where certain aspects of the risk management process may require review as part of the Council's integration with the CCG and in 2018/19, where appropriate, Audit will continue to contribute to developments on this and consider future audits of risk management.

4.2.5   Supporting risk management guidance was further updated by the Audit and Assurance Service and is available on the intranet under http://cms.intranet.trafford.gov.uk/RiskManagement/risk-management.aspx

4.3   **Fundamental Financial Systems**

4.3.1   This is a key area of internal audit work providing assurance regarding the controls in place for the Authority's key financial systems.

4.3.2   As listed in Appendix C, five final audit reports were issued during the year. All opinions issued were stated as High. These related to the following reviews:

- Council Tax,
- Treasury Management,
- Accounts Receivable & Debt Recovery,

- Non-Domestic Rates, and
- Benefits/Council Tax reduction.

4.3.3 Three reviews were in progress as at 31 March 2018. Initial draft findings were shared with relevant managers and it is planned that final audit reports will be issued in the first quarter of 2018/19. These include two audit reviews in relation to Adult Care: Adult Social Care Liquid Logic/ContrOCC system and Adult Service Direct Payments. (Two similar reviews in relation to Children's Services are also commencing in 2018/19). The other review in progress was in respect of Income Control.

4.3.4 There were two planned reviews which were due to commence towards the end of the year but, in agreement with the respective services are included in the 2018/19 Internal Audit Plan (Reviews in respect of Accounts Payable and Payroll).

4.4   Schools

4.4.1 As part of the Schools Financial Value Standard (SFVS) designed by the Department for Education, schools are required to submit evidence to support adherence to the Standard on an annual basis. It is noted that in accordance with SFVS, all schools have submitted a self- assessment for 2017/18 as required. Information submitted is available to Audit and Assurance to assist in planning school audits.

4.4.2 Areas covered in internal audit reviews reflect the requirements of the SFVS and include governance arrangements such as the role of the Governing Body and senior staff; budgetary control; purchasing; payroll processes; income collection, security of cash and other assets; and information security and governance.

4.4.3 Within the Internal Audit Plan it was planned that at least 15 school audits would be undertaken in 2017/18. During the year, 12 final audit reports were issued. As at the end of March 2018, in respect of three other schools visited during the year, an initial draft report had been shared with the respective Headteachers. Final reports have since been issued for these three audits through April and May 2018.

4.4.4 In respect of the 12 audit reports issued, seven schools were provided an opinion of "Medium/High", two with "Medium" and the remaining three were "Low/Medium." (See appendix C). For schools where a Low/Medium opinion has been provided, schools which continue to remain as maintained by the local authority will receive a follow-up audit in 2018/19 to assess progress in implementing the recommendations made.

4.4.5 During the year there was follow up by Audit in relation to 6 schools to confirm progress in implementing previous recommendations. Good progress in implementing recommendations is highlighted by the analysis regarding follow up audits (See 5.6 to 5.10).

4.4.6 Audit and Assurance continued to liaise with the Schools Finance team and the Children, Families and Wellbeing Directorate (CFW) to assist in following up issues

raised at particular schools, ongoing audit planning and, where applicable, to provide advice to schools. This included delivering a presentation to school governors at the Trafford Governors' Forum meeting in November 2017. This covered guidance to schools on internal control in terms of the recommended use of a recently updated Control Risk Self-Assessment form and associated guidance.

4.5 **Anti-Fraud and Corruption**

4.5.1 Audit work in this area relates to undertaking investigative work; reviewing measures in place to reduce the risk of fraud and corruption and raising awareness across the Council. This work forms an important part of the Council's approach to ensuring high standards of conduct are in place.

National Fraud Initiative

4.5.2 The Audit and Assurance Service continued to co-ordinate the Council's participation in the National Fraud Initiative (NFI), a nationwide data matching exercise designed to help participating bodies identify possible cases of error or fraud and detect and correct any consequential under or overpayments from the public purse. The Service originally co-ordinated the submission of Council data to the NFI team (Cabinet Office) in October 2016 and the subsequent matches were received in January 2017. Since then the Service has liaised with other services including the Council's Fraud and Enforcement team to follow up data matches.

4.5.3 An update on the outcome from the exercise was included as part of the Audit and Assurance update presented to the Accounts and Audit Committee in February 2018. For the matches followed up since the exercise commenced in January 2017, as at May 2018, a total of 3243 matches had been reviewed, with the identification and correction of 522 errors and the detection of 1 fraud (as reported in the February 2018 update), totalling £273K. Of this, £115k is in the process of recovery. Subsequently, the associated annual reductions in housing benefit payments and removal of Council Tax reductions amount to approximately £60k per year.

4.5.4 A new exercise will commence later in 2018 with the submission of further data to the Cabinet Office due to be completed in October 2018 for subsequent data matching.

Investigations

4.5.5 The Accounts and Audit Committee were provided with a report as part of the Audit and Assurance Service 2017/18 Quarter One update (Confidential Part 2 Item) in respect of an internal investigation which Audit and Assurance contributed to in liaison with relevant services following a complaint raised. Further to the investigation, control improvements to associated systems and procedures were made within the relevant service area and these will be followed up further as part of 2018/19 internal audit work.

4.5.6   An incident was reported to Audit in respect of a loss of cash and subsequently, Audit worked with HR to investigate the loss. Audit provided guidance on cash control to the relevant service area to reduce the risk of future losses occurring. Guidance was also shared with two other service areas where losses had occurred.

4.5.7   An audit review was also been completed to review systems and controls to follow up concerns raised in the previous year. A report was issued that did not highlight any evidence of fraud but did make a number of recommendations for improvements to financial management and administration.

4.5.8   Any further investigation work by Audit and Assurance will be reflected in the next Audit and Assurance update later in 2018.

4.5.9   Audit and Assurance will co-ordinate the Council's response to the annual fraud and corruption survey by CIPFA for 2017/18. (Details of fraud investigation during 2017/18 by the Counter Fraud and Enforcement team will be within a separate annual report to be shared with the Accounts and Audit Committee later in 2018).

4.6   Procurement / Contracts

4.6.1   Audit and Assurance undertakes reviews of procurement arrangements and processes to ensure the Council strives to achieve value for money and undertakes procurement in accordance with relevant legislation and the Contract Procedure Rules.

4.6.2   As part of internal audit planning, the Service continues to liaise with the STAR Shared Procurement Service and Internal Audit sections of the partner authorities (Stockport and Rochdale Councils). Audit plans were co-ordinated and relevant findings from work shared to ensure an efficient audit process.

4.6.3   Procedures in relation to the financial vetting of suppliers tendering for contracts across the three authorities were reviewed. Updated procedures had been established following the formation of STAR. Overall, it was found that the STAR Shared Procurement Service undertakes financial checks of suppliers in accordance with its agreed procedures and national guidelines. Some recommendations were made to ensure a consistent of approach for evidencing that checks have taken place.

4.6.4   An audit was completed by Rochdale Council, on behalf of Stockport, Trafford and Rochdale Councils in relation to the Chest Procurement portal. Overall, it was found that there is satisfactory control over the e-tendering process within The Chest procurement portal. The system meets the principal objectives of providing an externally hosted and secure e-sourcing portal, enabling a range of procurement routes, advertising of procurement opportunities and providing bidders with relevant

information with which to submit bids and to receive those bids. Areas for improvement identified included issues in relation to IT access controls.

4.6.5   As part of the above review, sample audit testing identified a number of other issues not specifically covered within the scope of the review but where areas for improvement were identified. This included various aspects of procurement processes including quotation and tender processes. A separate report was issued which included an agreed Action Plan with STAR which will be followed up in 2018/19.

4.6.6   As referred to in the 2018/19 Internal Audit Plan, there were a number of reviews in progress as at the end of 2017/18 to be reported in quarter one of 2018/19 with, where applicable, findings of these to inform future audit work. Details are as follows:

- Procedures for maintaining the Contracts Register by STAR which have been developed since its formation (Lead - Rochdale Council);

- Given one set of Contract Procedure Rules (CPRs) is formally in place across all three authorities, a review to include adherence to the CPRs in practice (Lead – Stockport Council);

- A review of the STAR Procurement Quality Management System (QMS), incorporating key procedures and systems operated by the Shared Service (Lead - Stockport Council).

4.6.7   As agreed with STAR, an audit covering Social Value in procurement (in accordance with the Public Services Social Value Act 2012), incorporating follow up of the previous audit undertaken and monitoring in place across contracts within the authorities is to be undertaken later in 2018/19 to include coverage of monitoring and reporting processes being developed.

4.6.8   Audit and Assurance provided input to the Authority's contract monitoring of the One Trafford Partnership between the Council and Amey in respect of the monitoring of performance indicators. This included supporting management in validating supporting data and providing advice in respect of the processes supporting the monitoring of some key performance indicators.

4.6.9   Consideration of procurement / contracts aspects is included in other categories of audit work including schools (per 4.4) and Other Business Risks (4.8).

4.7   ICT Audit / Information Governance

4.7.1   Audit work was undertaken to cover a range of issues in relation to IT procedures, processes and controls. A significant part of this work is completed by Salford Internal Audit Services who provide specialist IT Audit Services for a number of

authorities. Work was also undertaken in respect of wider information governance issues.

4.7.2 A planned review was completed of the Council's IT software licensing arrangements. Whilst a number of recommendations were made in the audit report, these relate to controls that would be improved through the implementation of a software asset management system. The audit report confirmed that the procurement of a system was in progress, so corrective action was already being taken to strengthen controls in this area. A follow up audit review is included in the 2018/19 Internal Audit Plan.

4.7.3 A review was completed of the IT Service desk. Overall it was found that effective systems and procedures were in place for the IT Service desk to provide support across the Council. A small number of recommendations were made to enhance existing arrangements including in relation to performance measurement and monitoring.

4.7.4 As planned, a further follow up was completed in relation to findings originally raised by the External Auditors in respect of access controls for the SAP financial system. The original audit was undertaken by the External Auditor, Grant Thornton and further to that a follow up audit undertaken in 2016/17 by Audit and Assurance found that a number of controls had either been introduced or enhanced by the Council to reduce the key business risks relating to the applications under review, with further work in progress. The second follow up review, completed in 2017/18 in relation to the SAP financial system access controls confirmed that in relation to the three previous recommendations reviewed, satisfactory controls were in place.

4.7.5 By the end of the year, a review of cyber security was in progress which included follow up of a number of issues raised in the previous audit including disaster recovery / business continuity. A final audit report on cyber security will be issued in 2018/19.

4.7.6 There are two reviews originally planned for 2017/18 (ITrent System IT Application Controls review and the IT Change Management follow-up audit as listed in Appendix C) that had not started and were included in the 2018/19 Internal Audit Plan.

4.7.7 Audit has continued to contribute to ongoing developments in relation to the Council's approach to Information Governance. This has included input to the Information Security Governance Board (ISGB) (See 4.10.2).

4.7.8 Audit completed an independent check of the Council's completed Information Governance Toolkit prior to its submission to the Department of Health in March 2018.   The Toolkit is an online system which enables organisations to assess themselves or be assessed against Information Governance policies and standards.

4.7.9 Audit Planning has taken into account the introduction of the GDPRs from 25 May 2018 and an update on future planned work was included in an update for the ISGB.

4.8   **Other Business Risks**

4.8.1 This comprises various work that does not fall into one of the categories referred to above but represents areas of business risk. This includes authority-wide review work and reviews of specific services and establishments within individual Directorates. Risks reviewed encompassed a number of areas of control such as procedures and responsibilities, adherence to legislation and internal procedures, budgetary control, Payroll/HR related processes, risk management, security (of cash, assets and data), purchasing, income collection and recording and other areas of risk specific to the service under review.

4.8.2 There were nine final audit reports issued in this category with at least Medium (Adequate) or above audit opinions given for each review. Listed below are the audits completed with the respective Directorate and 2017/18 Executive portfolio shown in brackets and also opinion level given. Details of overall findings were included in the respective quarterly update reports for CLT and the Accounts and Audit Committee, and for reports issued in the final quarter, a summary of findings is shown in Appendix A.

Final Reports issued:

Reported in Quarter 1 Audit and Assurance update:
-    Taxi licensing follow-up audit (EGEI) / (Highways, Parks and Environmental Services): Medium
-    Housing Waiting List (EGEI) / (Housing and Strategic Planning): Medium/High

Reported in Quarter 2 Audit and Assurance update:
-    Corporate Health and Safety (T&R) / (Corporate Resources): Medium/High
-    Coppice Avenue Library follow-up audit (T&R) / (Communities and Partnerships): Medium

Reported in Quarter 3 Audit and Assurance update:
-    Aids and Adaptations (CFW) / (Adult Social Care): Medium
-    Payments to Care Leavers (CFW) / (Children and Families): Medium
-    Partington Children's Centre (CFW) / (Children and Families): Medium/High

Issued in Quarter 4 (See appendix A for overall findings):
-    Schools Catering follow-up audit (T&R) / (Corporate Resources): Medium/High
-    Out of Borough Education Placements follow-up audit (CFW) / (Children's Services): Medium/High.

4.8.3 In addition to the final reports issued, a draft report was shared for discussion with management in respect of a review of Let Estates which is administered as part of the One Trafford Partnership. A final report was issued in quarter one of 2018/19 and the audit opinion will be reported as part of the next Audit and Assurance update.

4.8.4 In terms of other work in progress, an audit of Old Trafford Library commenced in March 2018 and planning also commenced for an audit review of Trafford Town Hall catering. Final reports for these reviews will be issued in 2018/19.

4.8.5 As referred to in the 2018/19 Internal Audit Plan, there are a number of reviews originally planned for 2017/18 that had not started and were rescheduled to 2018/19 and these are also listed in Appendix C under "Assurance - Other Business Risks".

4.9   Grant Claims

4.9.1 Audit has been required to carry out checks to support information contained in a number of grant claims made during the year in line with national requirements in relation to funding received. In each case, based on the checks undertaken, adequate assurance was obtained to support the claims made.

4.9.2 During 2017/18, work included internal audit checks of the following: Integrated Transport and Highways Maintenance Grant 2016/17; Local Growth Fund 2016/17; Cycling Ambition Grant 2016/17; Public Health Grant 2016/17; and the Disabled Facilities Grant 2016/17.

4.9.3 In addition, Audit has reviewed systems for the Stronger Families programme (which relates to the national DCLG "Troubled Families" programme. A report was issued providing a Medium level of assurance (See Appendix A). As well as management, the report was provided to GMCA who are responsible for co-ordinating GM internal audit assurance obtained for this programme.

4.10 Service advice/ Projects/ Boards

4.10.1 Advice was provided through the year across the Council on governance and control issues. As referred to in 4.2, Audit has contributed to updating guidance in respect of risk management. Audit has also responded to requests through the year to provide guidance on various aspects of internal control including cash handling procedures, financial procedural documentation and asset security. The Audit and Assurance intranet site includes information on the role of Audit and associated guidance for services in respect of risk management, governance and anti-fraud and corruption which has been updated during the year.

4.10.2 Internal Audit has contributed through the year to the work of the Information Security and Governance Board. This has included input to its Action Plan in relation to meeting requirements of the GDPRs, effective from 25 May 2018. Work has included contributing to the update of the Corporate Information Governance risk register and review of the Corporate Information Governance Risk Management Policy.

4.10.3 Audit has also been part of the project team contributing to developing the Council's digital strategy and digital transformation brief as part of the Trafford Vision 2031.

5.   MANAGEMENT RESPONSE TO INTERNAL AUDIT WORK

5.1   This section sets out the response to, and impact of, internal audit work during the year. Key indicators of Audit and Assurance's impact are :
- Acceptance of recommendations
- Implementation of them.

5.2   Recommendations issued by the Audit and Assurance Service had one of three priority levels as follows:

Priority 1	These are recommendations considered by Internal Audit to be essential to address a high risk in order to maintain a minimum acceptable level of assurance. Priority should be given to addressing these recommendations as soon as possible.
Priority 2	These are recommendations considered necessary to address a moderate risk in order to improve internal control. Action to implement these should be agreed with planned dates shown in the action plan but it is taken into account that Priority 1 recommendations would take priority.
Priority 3	These are recommendations to either address a low risk or provide guidance or advice to further enhance existing practice.

### Acceptance of Recommendations

5.3   Most audit recommendations made during the year were accepted by management. Of the 125 Priority 1 recommendations made, 123 were accepted i.e. 98%. (Of these 89 recommendations related to school audits of which 87 were accepted).

5.4   The acceptance rate for priority 2 or 3 recommendations was also 98% of the 227 recommendations made. (Of these, 173 recommendations related to school audits with only 3 recommendations not agreed with 54 recommendations relating to all other audits with only 1 recommendation not agreed).

5.5   Therefore, overall, 98% of all recommendations were accepted (compared to 99% in 2016/17). The service target is currently set at 95%.

Implementation of audit recommendations

5.6   A number of internal audit reviews are followed up approximately 12 months after the issue of the final report to ascertain what progress has been made in implementing recommendations. This may be either through a further audit review or through manager self- assessment.

5.7   Details of individual follow up reviews for the first three quarters of the year are set out in the quarterly Audit and Assurance update reports. Details for the final quarter of 2017/18 are included in Appendix A together with details of the acceptance rate for recommendations in that quarter.

5.8   For all follow up work undertaken, an analysis of the percentage of recommendations implemented at the time of the respective follow up reviews is shown in the following chart.
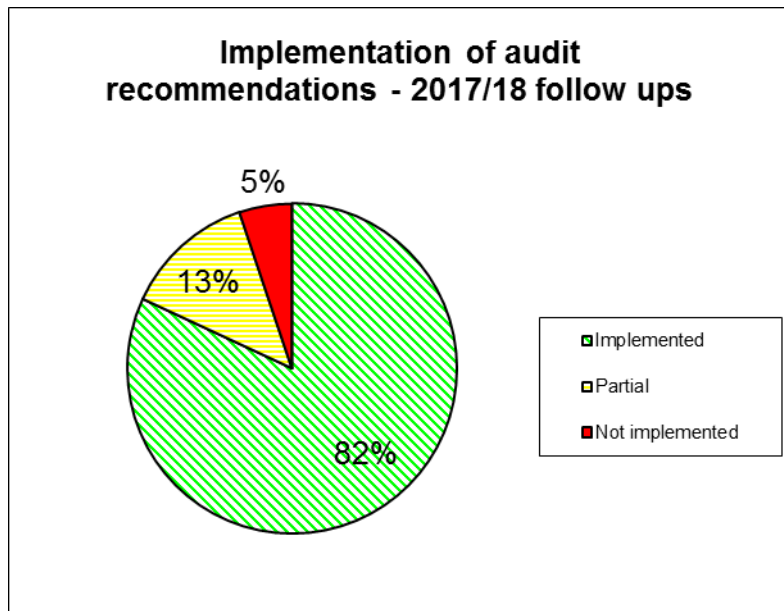
5.9   From the reviews undertaken, of a total of 155 recommendations followed-up during 2017/18, it was reported that 127 (82%) had been implemented at the time of the follow up audit reviews (this compares to 71% reported in the previous year). A further 20 (13%) have been partially implemented or are in progress (24% reported in the previous year). Eight recommendations (5%) have not been implemented (as per the previous year).

5.10 It should be noted that of the above 155 recommendations analysed above, these relate to the following in terms of recommendations excluding schools and recommendations specific to school audits.

Recommendations Followed Up Excluding Schools		Recommendations followed up- School Audits	
Total Number	92	Total Number	63
Recommendations Implemented or no longer applicable	72%	Recommendations Implemented or no longer applicable	97%
Recommendations Implemented in part/in progress	22%	Recommendations Implemented in part/in progress	0%
Recommendations not implemented	6%	Recommendations not implemented	3%

In Appendices A and C, * denotes against the Audit opinion that the review is specifically a follow up audit. Where appropriate, revised opinions were given after each follow-up review had been completed.

Client feedback

5.11 A client questionnaire is sent out with each audit report canvassing managers' views on the audit review. The questionnaire covers the audit approach; audit report issued and usefulness of the audit as an aid to management.

5.12 The overall rating was good or very good for 97% of the responses (87% in 2016/17) against a service target of 85%. In terms of impact, 67% of respondents stated that following the audit review, it was expected that there would be a moderate improvement (42%) or significant improvement (25%) in the standard of control. An analysis of the responses is shown in Appendix D.

5.13 The analyses of recommendations, follow-ups and client responses continues to demonstrate an overall positive response to internal audit work which contributes to continued improvements in governance and control arrangements across the Council.

6. **PERFORMANCE AGAINST AUDIT PLAN**

6.1 Actual time spent delivering the Plan was 1042 days (100% of the chargeable planned target of 1040 allocated days). An analysis of planned operational audit time against actual days spent in 2017/18 is shown in Appendix B. Within each category, there are some variations between planned and actual days and where applicable this has been taken into account in planning allocated time within the 2018/19 Internal Audit Plan.

6.2 In addition to the planned allocated days, any available contingency time was utilised by the Service to support a number of developments including a required upgrade to the Audit Management system, revision of the Audit Manual and supporting procedures, review of work programmes and actions to support the 2017/18 External Assessment process.

6.3 In the 2017/18 Internal Audit Plan, a target was set of 40 audit opinion reports to be issued to either final or draft stage. There were 32 final audit opinion reports issued and 7 initial draft

versions of reports shared with management by the end of March 2018. There were a number of other reviews in progress by the year-end.

6.4 Appendix C shows an analysis of audit opinion reports issued during the year. It also highlights any work in progress or scheduled for 2018/19. The 2018/19 Internal Audit Plan reported to CLT and the Accounts and Audit Committee in March 2018 took account of reviews to be carried forward from 2017/18.

7. CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS

7.1 It is a requirement that the Annual Head of Internal Audit Report provides a statement on conformance with the Public Sector Internal Audit Standards (PSIAS).

7.2. The Standards incorporate a number of aspects including:
- Ethics (incorporating integrity, independence, objectivity, confidentiality and competency).
- Purpose, authority and responsibility of Internal Audit.
- Standards (including planning, undertaking and managing audit assignments, monitoring, communication, due professional care, quality assurance and improvement).

7.3 As part of the PSIAS, it is a requirement for there to be an external assessment of the Internal Audit function at least every five years. An external assessment was undertaken in November 2017 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and a final report was issued in January 2018 (with the report presented to the Accounts and Audit Committee at the February 2018 meeting). In respect of the assessment against PSIAS, CIPFA has 3 possible opinion levels (Generally conforms; partially conforms and does not conform). **CIPFA's overall opinion was that the Audit and Assurance Service generally conforms to PSIAS.**

7.4 There were some minor observations identified together with three recommendations and two suggestions made in the report to address these. Since the review, action has been taken to address each recommendation or suggestion as follows:

- The 2018/19 Internal Audit Plan was produced, taking into account and addressing a recommendation made in the CIPFA report in respect of aspects relating to the Annual Governance Statement and Risk Management.
- In terms of the review of audit working papers, as recommended, a consistent approach has been adopted for evidencing the supervisory review of audits on the Audit Management system.
- Wording in this Annual Report in respect of the Audit Opinion (page 5) has been produced to address one of the recommendations made.
- As suggested, the independence declaration form that Audit staff complete and sign each year, which includes the requirement to conform with the requirements of PSIAS, has been updated to explicitly refer to the "Seven Principles of Public Life".

- As suggested, the template for individual terms of reference for audits has been updated to ensure terms of reference include an initial draft audit report distribution list.

7.5 In accordance with its Quality Assurance and Improvement Programme, the Service continued to report on its work through the year to both CLT and the Accounts and Audit Committee which included both updates on progress against the 2017/18 Plan; the impact of audit work; client feedback and approval of the Internal Audit Plan for 2018/19. The Service has also updated its Audit Manual to ensure continued conformance with PSIAS.

7.6 Further to the external assessment completed in 2017/18, the Audit and Assurance Service will complete a self- assessment exercise towards the end of 2018/19 to further review processes in place against PSIAS. Findings will be reflected in next year's Annual Head of Internal Audit Report.

	APPENDIX A
INTERNAL AUDIT REPORTS ISSUED IN QUARTER 4 2017/18	

Points of Information	
Audit Opinion Levels (RAG reporting) :	**Report Status:**
Opinion – General Audits	**Draft reports:**

Opinion – General Audits		
High – Very Good	**Green (G)**	
Medium / High – Good	**Green (G)**	
Medium – Adequate	**Green (G)**	
Low / Medium - Marginal	**Amber (A)**	
Low – Unsatisfactory	**Red (R)**	

Audit Opinion Levels (RAG reporting) :   /   **Report Status:**

*Indicates this is a revised opinion given following a review of progress made in implementing recommendations made in the previous audit review. This opinion is based only on the areas tested and assumes the controls reviewed as part of the previous audit, that were not covered as part of this follow up audit, have been maintained.

Draft reports:
are issued to managers prior to the final report to provide comments and a response to audit recommendations.
Final reports:
incorporate management comments and responses to audit recommendations, including planned improvement actions.
An opinion is stated in each audit report / assessment to assess the standard of the control environment.

Breadth of coverage of review (Levels 1 to 4)

Provides an indication as to the nature / breadth of coverage of the review in terms of which aspects of the organisation's governance and control environment it relates to. Levels are as follows:

- **Level 4 : Key strategic risk or significant corporate / authority wide issue** - Area under review directly relates to a strategic risk or a significant corporate / authority wide issue or area of activity.
- **Level 3 : Directorate wide** - Area under review has a significant impact within a given Directorate.
- **Level 2 : Service wide** - Area under review relates to a particular service provided or service area which comprises for example a number of functions or establishments.
- **Level 1 : Establishment / function specific** - Area under review relates to a single area within the council such as an individual establishment.

REPORT NAME (DIRECTORATE) / (PORTFOLIO) by Coverage Level (1-4)	-OPINION -R/A/G -Date Issued	COMMENTS
FINAL REPORTS		
Level 4 Reports:		
Housing Benefits / Council Tax Reduction (T&R) / (Corporate Resources)	**High (GREEN)** (30/1/18)	A high level of assurance has been maintained with only a couple of minor recommendations made.
Software Licensing (T&R) / (Corporate Resources)	**Low / Medium (AMBER)** (3/1/18)	A number of the recommendations made in the audit report relate to controls that would be improved through the implementation of a software asset management system. The report confirmed that the procurement of a system was in progress, so corrective action was already being taken to strengthen controls in this area. A follow up audit review is included in the 2018/19 Internal Audit Plan where a revised audit opinion will be considered.
IT Service Desk (T&R) / (Corporate Resources)	**Medium / High (GREEN)** (30/1/18)	Overall it was found that effective systems and procedures were in place for the IT Service desk to provide support across the Council. A small number of recommendations were made to enhance existing arrangements including in relation to performance measurement and monitoring.
STAR Procurement - Financial vetting of suppliers (T&R) / (Corporate Resources)	**Medium (GREEN)** (2/2/18)	Overall, it was found that the STAR Shared Procurement Service undertakes financial checks of suppliers in accordance with its agreed procedures and national guidelines. Some recommendations were made to ensure a consistent of approach for evidencing that checks have taken place.
Level 3 Reports:		
Stronger Families (CFW) / (Children and Families)	**Medium (GREEN)** (27/3/18)	There is a commitment of all Greater Manchester local authorities to undertake regular audits to provide assurance that local systems and processes meet the minimum standards of the Greater Manchester Troubled Families framework. As part of this, the audit review of Trafford Council's Stronger Families programme highlighted that overall satisfactory procedures are in place. As part of audit testing, some areas were highlighted for improved recording of information to evidence progress/developments in relation to individual cases.
Level 2 Reports:		
Schools Catering follow up review (T&R) / (Corporate Resources)	**Medium / High (GREEN)** * (8/2/18)	Good progress has been made in implementing previous audit recommendations. Of the 16 recommendations previously made, only 3 of these still require to be implemented with one further recommendation made.
Out of Borough Education Placements follow up	**Medium / High (GREEN)** *	Good progress has been made in implementing previous audit recommendations. Of the 10 recommendations previously made, 9 had been implemented with the remaining recommendation in progress.

review (CFW) / (Children and Families)	(19/2/18)	
Level 1 Reports:		
English Martyrs' RC Primary School (CFW) / (Children and Families)	**Low / Medium (AMBER)** (23/1/18)	A significant number of recommendations were made to improve controls across a number of areas reviewed. Areas identified for improvement included the updating of the school's Finance Procedures Manual; administration relating to the Governing Body Committees , procurement procedures; and school fund records. An action plan was agreed to address the recommendations made. A follow up audit review of this school is included in the 2018/19 Internal Audit Plan.
Stamford Park Infant School (CFW) / (Children and Families)	**Medium / High (GREEN)** (29/1/18)	Overall, a good standard of internal control and governance was found to be in place across most areas covered by the audit. Some recommendations were made including in relation to the administration of petty cash.
St. Margaret Ward RC Primary School (CFW) / (Children and Families)	**Medium / High (GREEN)** (22/3/18)	Overall, a good standard of internal control and governance was found to be in place across most areas covered by the audit. Some recommendations were made including in relation to the update of the Data Protection Policy in line with the General Data Protection Regulations.
Reports at draft stage		As at 31/3/2018, for all of the reports listed below, initial draft reports were shared with the respective services. In each case, the final report will be issued in Q1 of 2018/19 and details, including the audit opinion will be reported in the next Audit and Assurance update report.
Income Control (T&R) / (Corporate Resources)		
Let Estates (EGEI) / (Housing and Strategic Planning)		
Liquid Logic System - Adult Services (CFW) / (Adult Social Care)		
Direct Payments – Adult Services (CFW) / (Adult Social Care)		
Trafford Alternative Education (Trafford High School and Trafford Medical Education Service (CFW) / (Children and Families)		
Bowdon Church School (CFW) / (Children and Families)		
The Firs Primary School (CFW) / (Children and		

_____

Families)	
	Denotes this is a follow up audit – i.e. the main focus of the review was a follow up of recommendations made as part of a previous internal audit review.

Quarter 4 2017/18 - Acceptance of Recommendations

From the final audit opinion reports issued during the quarter (as listed above) 101 of the 102 recommendations made were accepted (99%).

Quarter 4 2017/18 – Implementation of Recommendations

In addition to the two follow up audits listed above re Schools Catering and Out of Borough Education Placements, in respect of four other audits previously completed, managers were requested to provide an update on progress in implementing recommendations made. Details are as follows:

- Stretford Library (T&R) (Corporate Resources) - All 10 recommendations previously agreed had been implemented.
- Home to School Transport (CFW) / (Children and Families) - All four recommendations previously agreed had been implemented.
- Woodheys Primary School (CFW) / (Children and Families) – Of the 21 recommendations previously made, 20 had been implemented with the remaining recommendation to be addressed in 2018/19.
- Stamford Park Junior School (CFW) / (Children and Families) - All 28 recommendations previously agreed had been implemented.

<table>
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2017/18 Operational Plan: Planned Work and Actual Days Spent

Category	Details	Planned Allocated Days 2017/18	Actual Days 2017/18
Fundamental Systems	**Completion of fundamental financial systems reviews:** See Section 4.3 for work completed and Appendix C for opinion reports issued or planned to be issued.	230	202
Governance	**Corporate Governance Review / Collation of supporting evidence and production of the 2016/17 Annual Governance Statement (AGS). Ongoing advice / assurance in respect of governance issues** Corporate Governance Code updated in June 2017. 2016/17 AGS **c**ompleted in September 2017. Ongoing liaison with Legal and Democratic Services, including guidance regarding the approach for producing the 2017/18 AGS.	40	24
Corporate Risk Management	**Facilitating the updating of the Council's strategic risk register and other actions to support the Council's Risk Management Strategy including provision of guidance.** - Strategic Risk update reports issued as planned to CLT and the Accounts and Audit Committee through 2017/18. - Risk management guidance on intranet updated during 2017/18. - Other work undertaken as indicated in Section 4.2 of this report.	25	23
Anti-Fraud and Corruption	**Investigation of referred cases:** **Co-ordinate the Council's activity in respect of the National Fraud Initiative:** **Other work to support the Anti-Fraud and Corruption Strategy, including where applicable working with other relevant services to review existing policies and guidance supporting the overarching strategy.** See Section 4.5 and 4.1.5. .	100	126

Procurement / Contracts/ Value for money	**Review of procurement / contract management arrangements across the Council including systems in place and associated arrangements to secure value for money. (This will include liaison with the STAR Procurement Service and partner authority auditors).** See Section 4.6 for work completed and Appendix C for opinion reports issued and planned.	80	77
ICT / Information Governance	**Audit reviews to be completed in line with the ICT audit plan:** See Section 4.7 for work completed and Appendix C for audit opinion reports issued and planned.	70	68
Schools	**Support the Council in working with schools to adhere to the Schools Financial Value Standard (SFVS).** **Undertake School Audit reviews (at least 15 audit reviews to be undertaken)** See Section 4.4 for work completed and Appendix C for audit opinion reports issued and planned. (15 school visits undertaken -12 final reports issued and 3 initial draft reports issued).	170	199
Assurance – Other Business Risks	**Selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews will include authority wide issues and areas relating to individual services, establishments and functions.** See Section 4.8 for work completed and Appendix C for audit opinion reports issued and planned.	230	162
Grant claims checks / Data Quality	**Internal audit checks of grant claims / data returns as required.** **Checks completed in 2017/18 have covered:** -Local Growth Fund -Public Health Grant -Cycling Ambition Grant -Integrated Transport and Highways Maintenance. -Disabled Facilities Grant -Systems audit in respect of the Stronger Families Programme.	35	55
Service Advice / Projects	**General advice in respect of control, risk and governance across council services, projects etc.** Ongoing advice across Council services. Provision of guidance including update of Audit intranet site.	60	106

	Membership of Information Security Governance Board (ISGB) and support in progressing the ISGB Action Plan. Work with Transformation Team to support development of Digital Strategy		
TOTAL		**1040**	**1042**

APPENDIX C

Audit Opinion Reports Issued 2017/18

Audit Opinion Reports: Title / (Corporate Directorate)/ (Executive Portfolio)	Status	Opinion Level	Future plans (where final report not yet issued)
Fundamental Systems			
- Council Tax (T&R) / (Corporate Resources)	Final report 10/7/17	**High**	-
- Treasury Management (T&R) / (Corporate Resources)	Final report 18/9/17	**High**	-
- Accounts Receivable & Debt Recovery (T&R) / (Corporate Resources)	Final report 2/10/17	**High**	-
- NDR (T&R) / (Corporate Resources)	Final report 9/10/17	**High**	-
- Benefits/Council Tax reduction (T&R) / (Corporate Resources)	Final report 30/1/18	**High**	-
- Liquid Logic/ContrOCC system (CFW/T&R) (Adult Social Care and Corporate Resources)	Initial draft report shared with managers	-	Final report (including audit opinion) to be issued Q1 of 2018/19 (Adult Services).
- Direct Payments (CFW) / (Adult Social Care)	Initial draft report shared with managers	-	Final report (including audit opinion) to be issued Q1 of 2018/19 (Adult Services).
- Income Control (T&R) / (Corporate Resources)	Initial draft report shared with managers	-	Final report (including audit opinion) to be issued Q1 of 2018/19.
- Payroll (T&R) / (Corporate Resources)	Not started	-	Included in 2018/19 Internal Audit Plan
- Accounts Payable (T&R) / (Corporate Resources)	Not started	-	Included in 2018/19 Internal Audit Plan.
Procurement /Contracts /Value for money			
- The Chest Procurement Portal (STAR Authorities – Rochdale Lead) (T&R) / (Corporate Resources)	Final report 21/12/17	**Adequate****	-
- Financial vetting of suppliers (STAR Authorities – Trafford lead) (T&R) / (Corporate Resources)	Final report 2/2/18	**Medium**	-
- Contracts Register (STAR Authorities – Rochdale lead) (T&R) / (Corporate Resources)	In progress	-	Final report (including audit opinion) to be issued Q1 of 2018/19.
- STAR Quality Management System (STAR Authorities	In progress	-	Final report (including audit opinion) to be issued

– Stockport lead) (T&R) / (Corporate Resources)			Q1 of 2018/19.
- Contract Procedure Rules (STAR Authorities – Stockport lead) (T&R/Authority-Wide)	In progress	-	Final report (including audit opinion) to be issued Q1 of 2018/19.
- Social Value in Procurement (STAR authorities – Trafford lead) (T&R/Authority Wide)	Not started	-	Included in 2018/19 Internal Audit Plan.
- One Trafford Partnership (EGEI) / (Highways, Parks and Environmental Services)	Ongoing contribution to Council contract monitoring	-	Further time allocated to support corporate activity in 2018/19 Internal Audit Plan.
ICT Audit			
- SAP financial system access controls (T&R) / (Corporate Resources)*	Final report 17/10/17	**High***	-
- Software Licensing (T&R) / (Corporate Resources)	Final report 3/1/18	**Low/Medium**	-
- IT Service Desk (T&R) / (Corporate Resources)	Final report 30/1/18	**Medium/High**	-
- Cyber Security (T&R) / (Corporate Resources)	In progress	**-**	Final report (including audit opinion) to be issued Q1 of 2018/19.
- ITrent System IT Application Controls (T&R) / (Corporate Resources)	Not started	**-**	Included in 2018/19 Internal Audit Plan
- IT Change Management follow-up audit (T&R) / (Corporate Resources)	Not started	**-**	Included in 2018/19 Internal Audit Plan
Schools			
- Barton Clough Primary School	Final report 24/4/17	**Low/Medium**	-
- Well Green Primary School	Final report 23/5/17	**Medium/High**	-
- Our Lady of the Rosary RC Primary School	Final report 23/5/17	**Medium/High**	-
- Wellfield Junior School	Final report 27/6/17	**Medium**	-
- Moss Park Infant School	Final report 28/6/17	**Medium/High**	-
- Bollin Primary School	Final report 27/7/17	**Low/Medium**	-
- St. Hugh's RC Primary School	Final report 27/9/17	**Medium/High**	-
- Broadheath Primary School	Final report 13/10/17	**Medium/High**	-
- Wellfield Infant and Nursery School	Final report 22/11/17	**Medium**	-
- English Martyrs' RC Primary School	Final report 23/1/18	**Low/Medium**	-
- Stamford Park Infants School	Final report 29/1/18	**Medium/High**	-

- St. Margaret Ward RC Primary School	Final report 22/3/18	**Medium/High**	-
- The Firs Primary School	Initial draft report shared with Headteacher	**-**	Final report (including audit opinion) to be issued Q1 of 2018/19.
- Bowdon Church School	Initial draft report shared with Headteacher	**-**	Final report (including audit opinion) to be issued Q1 of 2018/19.
- Trafford High School	Initial draft report shared with Headteacher	**-**	Final report (including audit opinion) to be issued Q1 of 2018/19.
(Note all school reports relate to (CFW) / (Children and Families)			
Assurance – Other Business Risks			
- Taxi Licensing – follow up (EGEI) / Highways, Parks and Environmental Services) *	Final report 26/5/17	**Medium**	-
- Housing Waiting List (EGEI) / (Housing and Strategic Planning)	Final report 5/6/17	**Medium/High**	-
- Corporate Health and Safety (T&R/Authority-wide) / (Corporate Resources)	Final report 21/7/17	**Medium/High**	-
- Coppice Avenue Library – follow up (T&R) / (Communities and Partnerships) *	Final report 8/8/17	**Medium**	-
- Partington Children's Centre (CFW) / (Children and Families)	Final report 28/11/17	**Medium/High**	-
- Aids and Adaptations (CFW) / (Adult Social Care)	Final report 8/12/17	**Medium**	-
- Payments to Care Leavers (CFW) / Children and Families)	Final report 20/12/17	**Medium**	-
- Schools Catering – follow up (T&R) / (Corporate Resources) *	Final report 8/2/18	**Medium/High**	-
- Out of Borough School Placements – follow up (CFW) / (Children and Families) *	Final report 19/2/18	**Medium/High**	-
- Let Estates (EGEI) / (Housing and Strategic Planning) *	Initial draft report shared with managers	-	Final report (including audit opinion) to be issued Q1 of 2018/19.
- Bereavement Services (T&R) / (Corporate Resources)	In progress	-	Final report (including audit opinion) to be issued Q1 of 2018/19.
- Old Trafford Library (T&R) / (Communities and Partnerships)	In progress	-	Final report (including audit opinion) to be issued Q1 of 2018/19.
- Trafford Town Hall - Catering Income (T&R) / (Corporate Resources)	In progress	-	Draft report to be issued Q1 of 2018/19.
- Foster Care payments (CFW) / (Children and Families)	N/A	N/A	Included as part of Liquid Logic System (Children's Services) review in 2018/19.

- Flixton House (T&R) / (Corporate Resources)	Not started	-	Included in 2018/19 Internal Audit Plan
- Planning Enforcement (EGEI) / (Housing and Strategic Planning)	Not started	-	Included in 2018/19 Internal Audit Plan
- Strategic Growth Team (EGEI) / (Housing and Strategic Planning)	Not started	-	Included in 2018/19 Internal Audit Plan.
- Music Service (T&R) / (Corporate Resources)	Not started	-	Included in 2018/19 Internal Audit Plan
- Client Finances system (T&R/CFW) / Adult Social Care and Corporate Resources)	Not started	-	Included in 2018/19 Internal Audit Plan.
- Section 17 Payments – Children (CFW) / (Children and Families)	Not started	-	Included in 2018/19 Internal Audit Plan.
Data Quality			
- Stronger Families (CFW) / (Children and Families)	Final report 27/3/18	**Medium**	-

*Follow up review
** _An "Adequate Opinion" was provided which is considered equivalent to an opinion of "Medium" per the Trafford Council framework and the opinion is therefore shown as "Green"._

APPENDIX D

Client Survey Responses 2017/18

	V.Good	Good	Satisfactory	Adequate	Poor
Consultation on audit process and audit coverage prior to commencement of the audit	8	4			
Feedback of findings and liaison during the audit	10	2			
Professionalism of auditors	10	2			
Helpfulness of auditors	10	2			
Timeliness of the review and the draft report	6	5	1		
Clarity of the report	8	3	1		
Accuracy of the report	6	6			
Practicality of the recommendations made	6	4	1		
Usefulness of the audit as an aid to management	8	4			
Total	**72**	**32**	**3**	**0**	**0**
%	**67%**	**30%**	**3%**	**0%**	**0%**
	Very Significant	**Significant**	**Moderate**	**Minor**	**None**
What level of improvement, in the standard of control and the management of risks, do you expect to see following the audit review?	3	0	5	1	3
%	**25%**	**0%**	**42%**	**8%**	**25%**

(Note: the results are based on responses from 13 client surveys received in the period. It should be noted that any responses of "poor" or "adequate" relate to one client survey, the details of which have been followed up with the relevant service).