

## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 6 February 2019  
**Report for:** Information  
**Report of:** Audit and Assurance Manager

### Report Title

**Audit and Assurance Report for the Period September to December 2018.**

### Summary

**The purpose of the report is:**

- **To provide a summary of the work of Audit and Assurance during the period September to December 2018.**
- **To provide ongoing assurance to the Council on the adequacy of its control environment.**

### Recommendation

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

### Contact person for access to background papers and further information:

**Name:** Mark Foster – Audit and Assurance Manager  
**Extension:** 1323

**Background Papers:** None

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**TRAFFORD**  
**COUNCIL**

# **Audit and Assurance Service Report September to December 2018**

**Date:** February 2019

## **1. Purpose of Report**

This report summarises the work of the Audit and Assurance Service between September and December 2018 and highlights progress against the 2018/19 Internal Audit Plan to date. At the end of the year, these update reports will be brought together in the Annual Head of Internal Audit Report which will give the opinion on the overall effectiveness of the Council's control environment during 2018/19.

## **2. Planned Assurance Work**

Key elements of the 2018/19 Work Plan include:

- Fundamental Financial Systems reviews.
- Input to the completion of the Annual Governance Statement for 2017/18.
- Continued input to and review of risk management arrangements and provision of guidance.
- Review of corporate procurement and value for money arrangements.
- Audit reviews in respect of ICT and information governance.
- Anti fraud and corruption work.
- Provision of guidance and advice to services across the Council.
- School audits and other establishment audit reviews.
- Grant claim certification work
- Audit reviews of other areas of business risk.

## **3. Main areas of focus – September to December 2018**

Work in this quarter included a particular focus on the following :

- Audit review work in respect of financial systems including the issue of a number of audit opinion reports.
- Completion of a number of school audit reviews.
- Issue of reports and ongoing work in relation to a number of other audit reviews from the Internal Audit Plan, including service and authority-wide reviews.
- Submission of data to the Cabinet Office in October 2018, required as part of the 2018/19 National Fraud Initiative.
- Checks in relation to a number of grant claims where Internal Audit sign off is required as part of the grant certification.
- Facilitating an update of the Strategic Risk Register for the Corporate Leadership Team.

## **4. Summary of Assurances for September to December 2018**

There were 15 internal audit opinion reports issued in the period, 12 final reports and 3 at draft stage. For 6 other audits, draft findings had been completed, with reports to be formally issued in the final quarter of 2018/19. A listing of audit report opinions issued including overall findings is shown in Section 5.

In respect of the final reports issued, opinions of "Adequate" or above were given in relation to 10 of the 12 reports. For all final reports issued, where applicable, agreed action plans are in place to implement the recommendations made.

## 5. Summary of Audit & Assurance Opinions Issued – September to December 2018

(See Appendix 5 for definitions of opinion levels, report levels and report status)

REPORT NAME (DIRECTORATE) / (PORTFOLIO) by Coverage Level (1-4)	-OPINION -R/A/G -Date Issued	COMMENTS
<b>FINAL REPORTS</b>		
<b>Level 4 Reports :</b>		
Treasury Management (Finance & Systems) / (Finance)	High (GREEN) (3/10/18)	A high level of assurance has been maintained and no formal recommendations were made as part of the audit.
Gifts and Hospitality (Governance & Community Strategy/Authority-wide) / (Constitutional Reform and Resident Engagement)	Medium (GREEN) (5/10/18)	Procedures and guidance for staff to declare offers of gifts and hospitality are in place. It was recommended that the content of the procedure and guidance within the Employee Code of Conduct is reviewed to ensure it is up to date and considers best practice.
Compliance with Contract Procedure Rules (Finance & Systems / Authority-wide) / (Finance)	N/A** (AMBER/ GREEN)	The audit was completed by Stockport Council on behalf of Stockport, Trafford and Rochdale Councils. A number of recommendations were made and accepted (applicable across all authorities) and it was agreed that actions to address these are to be included in an action plan. These include further developing processes for monitoring adherence to the Contract Procedure Rules and also areas in relation to staff training and awareness on the Rules.
IT Change Management (Finance & Systems) / (Constitutional Reform and Resident Engagement)	Medium/High* (GREEN) (27/11/18)	Significant progress has been made in implementing recommendations made in the previous audit review. Of the 9 recommendations made, 3 have been implemented and 6 have been progressed with further actions planned in relation to system development.
Business Continuity (Authority-wide) / (Constitutional Reform and Resident Engagement)	Low/Medium* (AMBER) (29/11/18)	Whilst some progress has been made, there is substantial work still required to progress previous audit recommendations, of which 9 are still in progress and 4 yet to be implemented. Responsibilities, plans and resources available need to be reviewed and defined in respect of Business Continuity Management / Disaster Recovery Planning. It was agreed that a review will be undertaken to refresh and update the policy and procedures for Business Continuity across the Council.
<b>Level 3 Reports :</b>		
Stronger Families Programme (Children's Services) / (Children's Services)	N/A* (GREEN) (17/10/18)	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 previous audit work, some areas were highlighted for improved recording of information to evidence progress/developments in relation to individual cases. This follow-up audit demonstrated an improved direction of travel. Of the 8 recommendations previously made in February 2018, 3 can be considered fully implemented, and 5 are in part implemented / in progress.
Adult Social Care Direct Payments (Adult Services) / (Adult Social Care)	Medium* (GREEN) (29/11/18)	Progress has been made in addressing areas for improvement in controls identified in the previous audit. Further developments are in progress to ensure service standards and procedures are clearly defined and communicated. Of the previous 19 audit recommendations, 13 had been implemented in part or in

progress with 6 not yet implemented to date (mainly dependent on further development of existing systems to record and monitor direct payments). A further audit review will be planned for 2019/20.

#### Level 1 Reports:

<b>Woodhouse Primary School (Children's Services) / (Children's Services)</b>	<b>Medium (GREEN)</b> (5/10/18)	Overall, systems, procedures and controls in place were found to be adequate but existing systems and processes could be enhanced in certain areas. A number of recommendations have been made including in relation to the update / approval of a number of school policies e.g. Freedom of Information and Health and Safety policies and updating of the business continuity plan.
<b>Templemoor Infant and Nursery School (Children's Services) / (Children's Services)</b>	<b>Medium/High (GREEN)</b> (5/10/18)	Overall, a good standard of internal control and governance was found to be in place across most areas covered by the audit. A small number of recommendations were made including in relation to the banking of income and maintenance of the inventory of equipment.
<b>Altrincham C of E Primary School (Children's Services) / (Children's Services)</b>	<b>Medium/High (GREEN)</b> (20//11/18)	Overall, a good standard of internal control and governance was found to be in place across most areas covered by the audit. A small number of recommendations were made including in relation to procedures in respect of the ordering and payment for some goods and services.
<b>Our Lady of Lourdes Catholic Primary School (Children's Services) / (Children's Services)</b>	<b>Medium/High (GOOD)</b> (27/11/18)	Overall, a good standard of internal control and governance was found to be in place across most areas covered by the audit. Recommendations made included the need to approve the School's Freedom of Information Policy and in terms of accounting records, ensure reconciliations between school records and bank statements are evidenced.
<b>St. Antony's Catholic College (Children's Services) / (Children's Services)</b>	<b>Medium (GREEN)</b> (28/11/18)	Overall, systems, procedures and controls in place were found to be adequate but a number of areas for control improvement were identified across different systems and processes. The College is currently in deficit but has a budget recovery plan to address this.

#### DRAFT REPORTS

##### Level 4 Reports:

<b>Data Breaches (Governance &amp; Community Strategy) / (Constitutional Reform and Resident Engagement)</b>	A draft report was issued for management to consider and confirm agreed recommended actions. A final report is due to be issued in the final quarter of 2018/19.
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##### Level 3 Reports:

<b>Children's Services Direct Payments (Children's Services) / (Children's Services)</b>	A draft report was issued for management to consider and confirm agreed recommended actions. A final report is due to be issued in the final quarter of 2018/19.
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##### Level 1 Reports:

<b>Willows Primary School (Children's Services) / (Children's Services)</b>	A draft report was issued for management to consider and confirm agreed recommended actions. A final report is due to be issued in the final quarter of 2018/19.
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## **OTHER REPORTS IN PROGRESS**

### **Level 4 Reports:**

<b>STAR Procurement - Financial vetting of suppliers (Finance &amp; Systems) / (Finance)</b> *	This follow-up audit was undertaken by Trafford Council on behalf of Stockport, Trafford and Rochdale Councils. Draft findings have been shared with STAR. A final report is due to be issued in the final quarter of 2018/19.
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### **Level 2 Reports:**

<b>Trafford Town Hall Catering (People) / (Equalities and Partnerships)</b>	Initial findings have been shared with management. Report to be agreed with a final report planned to be issued in the final quarter of 2018/19.
<b>Aids and Adaptations (Adult Services) / (Adult Social Care)</b> *	Initial findings have been shared with management. Report to be agreed with a final report planned to be issued in the final quarter of 2018/19.
<b>Client Finance System (Finance &amp; Systems) / (Finance and Adult Social Care)</b>	Initial findings have been shared with management. Report to be agreed with a final report planned to be issued in the final quarter of 2018/19.

### **Level 1 Reports:**

<b>St. Hugh of Lincoln RC Primary School (Children's Services) / (Children's Services)</b>	Draft findings have been shared with management. A final report is due to be issued in the final quarter of 2018/19.
<b>Environmental Health (Place) / (Environment, Air Quality and Climate Change)</b>	Draft findings have been completed and will be shared with management with a final report due to be issued in the final quarter of 2018/19.

*\*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*

*\*\* Note the audit opinions provided by Stockport Council corresponded to elements of both "Amber" and "Green" opinions per the Trafford framework (See Appendix 5).*

## **6. Other Assurance Work**

There is a significant amount of work undertaken by the Service that does not result in an audit opinion report being issued. Work in the quarter has included the following:

- Working with CLT to update the strategic risk register with an update report shared with CLT and the Accounts and Audit Committee in October 2018.
- Completing a number of checks as part of the process for certifying grant claims with work completed in relation to the 2017/18 Cycle City Ambition Grant; 2017/18 Pothole Action Fund and 2017/18 Disabled Facilities Grant.
- Following liaison with relevant services across the Council, co-ordinating the submission of data to the Cabinet Office as part of the 2018/19 National Fraud Initiative. Further detail is included in Appendix 3.
- Input to the Authority's contract monitoring of the One Trafford Partnership 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.

- Liaison with ICT to monitor mobile phone usage with findings shared with ICT to consider appropriateness of contracts in place.
- Work completed in liaison with Trafford Leisure in relation to Altrincham Golf Course to provide advice on internal control.

## **7. Impact of Audit Work – Improvements to the Control Environment**

**Key indicators of the impact of Audit and Assurance are: (a) Acceptance of Recommendations (b) Implementation of them.**

### **Acceptance of Recommendations**

From the final audit opinion reports produced and issued by the Audit and Assurance Service during the period, 99% of recommendations have been accepted (114 out of 115 recommendations made) compared to a service target of 95%.

### **Implementation of Audit Recommendations**

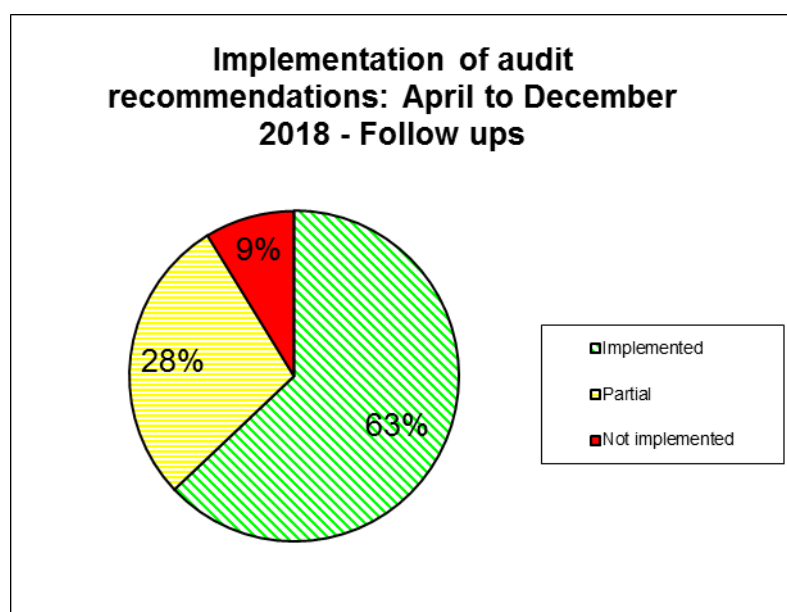
Final audit reports are followed up to assess progress in implementing improvement actions identified through audit recommendations. Recommendations made by the Audit and Assurance Service are followed up by a number of means.

As listed under final reports in Section 5, audits which included follow-up work were completed in relation to four reviews (IT Change Management; Business Continuity; Stronger Families Programme and Adult Social Care Direct Payments).

In respect of two other audits previously completed, management were requested to provide an update on progress in implementing recommendations made. Outcomes are as follows:

- Stamford Park Infants School (Children's Services) – All 10 recommendations previously made have been implemented.
- St. Margaret Ward Catholic Primary School (Children's Services) – Of the 12 recommendations previously made, 11 have been implemented with one in progress.

An overall analysis of audit recommendations followed up in 2018/19 (up to 31 December 2018) is shown below.





## **8. Performance against Audit & Assurance Annual Work Plan**

### **Appendix 1 shows an analysis of time spent to date against planned time for the 2018/19 Operational Internal Audit Plan**

As at 31 December 2018, 671 audit days were spent against 788 planned allocated days. The difference is largely accounted for by one of the audit staff being on a temporary secondment to the Trafford CCG Finance team during the current financial year. This has been partly mitigated by the use of the contingency of 60 days included within the Plan. It is anticipated that a small number of audit reviews will be rescheduled from 2018/19 to 2019/20. This will be reported in the 2018/19 Annual Head of Internal Audit Report and also reflected in the 2019/20 Internal Audit Plan.

As part of the Internal Audit Plan, a target of 40 audit opinion reports was set to be issued during 2018/19 to final or draft stage (excluding reports issued by other partner authorities in relation to STAR Procurement). As at 31 December 2018, 22 opinion reports were issued by the Audit and Assurance Service to final stage, another 3 to draft stage and a further 6 reports had been drafted for sharing with management for initial comments (totalling 31 reports produced to date). There were 3 other audit reports in progress as at 31 December 2018. (Note: 3 other final reports were issued to final stage in relation to STAR Procurement).

A number of other reviews are due to commence in Q4 with further reports to be issued during the period. (See Appendix 2 for listings of reports issued and planned).

The number of actual reports issued by the end of March 2019 and work in progress will be set out in the Annual Head of Internal Audit Report 2018/19.

## **9. Client satisfaction surveys (April to December 2018)**

**Client Surveys:** A client questionnaire is sent out with each audit report canvassing managers' views on the conduct of the audit review and its impact.

In terms of responses received in the period in respect of various aspects of the audits, **feedback of "Very Good" or "Good" was provided in 98% of responses.** A summary of feedback is shown in **Appendix 4.** A summary of responses received for the whole year will be included as part of the Annual Head of Internal Audit Report 2018/19.

## **10. Planned Work for January to March 2019**

### **Areas of focus include :**

- Issue of final audit reports (to include agreed action plans) in relation to the 9 reviews listed in Section 5 where reports have been issued as draft or are in progress.
- Progression of other audit reviews as listed in Appendix 2.
- Commencement of review of data matches from the latest National Fraud Initiative exercise, which are due to be released in early 2019.
- Supporting CLT in updating the Strategic Risk Register with a report due to be shared with the Accounts and Audit Committee in March 2019.
- Completion and approval of the 2019/20 Internal Audit Plan.
- Review and update of the Internal Audit Charter (to reflect service changes during the year) for approval by the Accounts and Audit Committee.

**2018/19 Operational Plan: Planned against Actual Work (as at 31 December 2018)**

<b>Category</b>	<b>Details</b>	<b>Planned Allocated Days 2018/19</b>	<b>Planned Days (up to 31/12/18)</b>	<b>Actual Days (as at 31/12/18)</b>
<b>Fundamental Systems</b>	<b>Completion of fundamental financial systems reviews: (See Appendix 2 for opinion reports issued and planned to be issued).</b>	180	155	91
<b>Governance</b>	<p><b>Corporate Governance / Annual Governance Statement (AGS) – to provide support and advice to Legal and Democratic Services.</b></p> <p><b>Complete a review of the content of the draft 2017/18 AGS with reference to the CIPFA/SOLACE Governance framework and guidance.</b></p> <p><b>Ongoing advice / assurance in respect of governance issues.</b></p> <p>Audit has worked with Legal and Democratic Services to assist and provide input to planning the process for producing the AGS. A review was completed as planned of the Draft AGS with findings fed back to Legal and Democratic Services before the document was finalised.</p> <p>An audit review was added to the Audit Plan to assess procedures for the declarations of gifts and hospitality by officers which was completed (See Appendix 2 under Governance).</p>	30	22	13
<b>Corporate Risk Management</b>	<p><b>Actions to support the Council's Risk Management Strategy including:</b></p> <ul style="list-style-type: none"> <li>- <b>facilitating the update of the strategic risk register</b></li> <li>- <b>provision of guidance and reviewing existing Service / Directorate level risk registers to consider areas for development.</b></li> </ul> <p>- Work to date: Strategic Risk update report completed in July 2018 and reviewed by CLT in August 2018. Further refresh of the risk register commenced in September with a report to CLT and the Accounts and Audit Committee in October 2018. A further update is commencing in January 2019 with a report to CLT and the Accounts and Audit Committee in March 2019.</p> <p>The risk management site on the intranet was updated including reviewing the layout.</p>	35	21	15

<b>Anti-Fraud and Corruption</b>	<p>The Service will continue to support the National Fraud Initiative (NFI) and will liaise with other services to ensure the Council provides data in accordance with the requirements of the NFI 2018/19 exercise.</p> <p>Investigation of referred cases of suspected theft, fraud or corruption.</p> <p>Other work to support the Ant-Fraud and Corruption Strategy, including where applicable working with other relevant services to review existing policies and guidance supporting the overarching strategy.</p> <p>Data submitted as planned in October 2018 for the 2018/19 NFI exercise (See Appendix 2).</p> <p>(Investigation work and other activity undertaken during the year will be reported in the 2018/19 Head of Internal Audit Report).</p>	110	80	63
<b>Procurement / Contracts/ Value for money</b>	<p>Review of procurement / contract management arrangements including systems in place and associated arrangements to secure value for money (Work will include liaison with the STAR Procurement Service and partner authority auditors).</p> <p>See Appendix 2 for reports completed and planned.</p> <p>As per Section 6, input to the Authority's contract monitoring of the One Trafford Partnership in respect of the monitoring of performance indicators.</p>	80	45	41
<b>ICT / Information Governance Audit</b>	<p>ICT Audit reviews completed by Salford Internal Audit Services.</p> <p>ICT related investigations where applicable.</p> <p>Information Governance audit reviews</p> <p>See Appendix 2 for reports completed and planned.</p> <p>As per Section 6, work also included monitoring of mobile phone usage with findings shared with ICT.</p>	100	65	66
<b>Schools</b>	<p>Providing assurance on the control environment within schools, supporting schools in ensuring awareness of requirements within the DfE Schools' Financial Value Standard (SFVS).</p> <p>Audit reviews of schools – at least 14 school audit visits to be undertaken during the year.</p> <p>See Appendix 2 for audit opinion reports issued and planned. (As at 31/12/18, 8 final reports issued; 1 draft report issued and 1 review where draft findings have been shared; 7 other schools audits are expected to commence between January and March 2019).</p>	180	140	135

<b>Assurance – Other Business Risks</b>	<p><b>Audits selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews include authority wide issues and areas relating to individual services, establishments and functions. Includes:</b></p> <ul style="list-style-type: none"> <li>- Audit reviews</li> <li>- Follow up reviews including further audits and gaining assurance from service updates.</li> </ul> <p><b>See Appendix 2</b> for audit opinion reports issued and other work completed / planned.</p>	250	171	165
<b>Grant claims checks / Data Quality</b>	<p><b>Internal audit checks of grant claims / statutory returns as required:</b></p> <p><b>Grant checks completed:</b></p> <ul style="list-style-type: none"> <li>- Local Growth Fund (completed July 2018)</li> <li>- Cycle City Grant (completed September 2018)</li> <li>- Pot Hole Fund Grant (completed September 2018)</li> <li>- Disabled Facilities Grant (completed October 2018).</li> </ul> <p>(Time also includes audit review in relation to the Stronger Families programme)</p>	35	29	22
<b>Service Advice / Projects</b>	<p><b>General advice, both corporately and across individual service areas.</b></p> <p><b>Support and advice to the organisation in contributing to working groups and projects in relation to governance, risk and control issues.</b></p> <p><b>To date this has Included:</b></p> <ul style="list-style-type: none"> <li>- In early 2018/19, contributing to work of the Information Security Governance Board;</li> <li>- Guidance shared with schools in respect of commonly made audit recommendations;</li> <li>- Other guidance and advice through the period, including liaison with Trafford Leisure.</li> </ul>	80	60	60
<b>TOTAL</b>		<b>1080*</b>	<b>788</b>	<b>671</b>

- Note there was a further contingency of 60 days within the 2018/19 Plan.

**Audit Opinion Reports Issued and Planned 2018/19 (as at 31 December 2018)**

<b><u>Category</u></b>	<b><u>Audit Opinion Reports</u></b> (Corporate Directorates in place when IA Plan issued in March 2018 shown in brackets)	<b><u>Status (where progressed by 31/12/18)</u></b>	<b><u>2018/19 IA Plan (inc. planned work in Quarter 4 (Q4))</u></b>
<b>Fundamental Systems</b>	<ul style="list-style-type: none"> <li>- Income Control (T&amp;R)</li> <li>- Liquid Logic/ContrOCC system – Adult Services (CFW/T&amp;R)</li> <li>- Direct Payments (CFW - Adults)</li> <li>- Treasury Management (T&amp;R)</li> <li>- Accounts Payable (T&amp;R)</li> <li>- Payroll (T&amp;R)</li> <li>- Liquid Logic/ContrOCC system – Children’s Services (CFW/T&amp;R)</li> <li>- Direct Payments (CFW – Children’s Services)</li> <li>- Budgetary Control (Authority-wide)</li> </ul>	<ul style="list-style-type: none"> <li>Final report issued 4/6/18</li> <li>Final report issued 4/6/18</li> <li>Final report issued 29/11/18</li> <li>Final report issued 3/10/18</li> <li>-</li> <li>-</li> <li>In progress</li> <li>Draft report issued 20/12/18</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Completed</li> <li>Completed</li> <li>Completed</li> <li>Commence end of Q4</li> <li>Commence end of Q4</li> <li>Draft report to be issued Q4.</li> <li>Final report to be issued Q4.</li> <li>Rescheduled to Q1 2019/20</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>- Declaration of gifts and hospitality</li> </ul>	<ul style="list-style-type: none"> <li>Final report issued 5/10/18</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> </ul>
<b>Procurement /Contracts /Value for money</b>	<ul style="list-style-type: none"> <li>- Contracts Register (STAR Authorities – Rochdale lead) (T&amp;R)</li> <li>- Contract Procedure Rules (STAR Authorities – Stockport lead) (T&amp;R/Authority-Wide)</li> <li>- Social Value in Procurement (including follow up) (STAR authorities – Trafford lead) (T&amp;R/Authority Wide)</li> <li>- STAR Quality Management System (STAR Authorities – Stockport lead) (T&amp;R)</li> <li>- Chest Procurement Portal (follow up) (STAR Authorities – Rochdale lead) (T&amp;R)</li> <li>- Financial vetting of firms (follow up) (STAR Authorities – Trafford lead) (T&amp;R)</li> <li>- STAR Performance Indicators (STAR Authorities – lead to be confirmed) (T&amp;R)</li> <li>- New vendor requests / spend monitoring (STAR Authorities – lead to be confirmed) (T&amp;R)</li> <li>- Commissioning of children’s external residential placements (CFW)</li> </ul>	<ul style="list-style-type: none"> <li>Final report issued 1/8/18</li> <li>Final report issued 22/11/18</li> <li>-</li> <li>Final report issued 13/6/18</li> <li>-</li> <li>Draft findings shared with management.</li> <li>-</li> <li>-</li> <li>-</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Completed</li> <li>Commence in 2019 (Timing to be agreed)</li> <li>Completed</li> <li>Commence in 2019 (Timing to be agreed)</li> <li>Final report to be issued Q4.</li> <li>Commence in 2019 (Timing to be agreed)</li> <li>Commence in 2019 (Timing to be agreed)</li> <li>Commence in 2019 (Timing to be agreed)</li> </ul>
<b>Information Governance / ICT Audit</b>	<ul style="list-style-type: none"> <li>-IT Change Management follow-up audit (T&amp;R)</li> <li>- ITrent System IT Application Controls (T&amp;R)</li> <li>- Software Licensing - follow up (T&amp;R)</li> <li>- Cyber Security follow-up (T&amp;R)</li> <li>- Information Security Management (ISO 27001 Gap Analysis) (T&amp;R)</li> <li>- Data breaches (T&amp;R/Authority-Wide)</li> </ul>	<ul style="list-style-type: none"> <li>Final report issued 27/11/18</li> <li>Planning commenced</li> <li>Initial update completed</li> <li>Final report issued 2/7/18</li> <li>-</li> <li>Draft report issued 17/12/18</li> </ul>	<ul style="list-style-type: none"> <li>Completed.</li> <li>Draft findings to be shared in Q4.</li> <li>Further update and follow-up review in Q1 2019/20.</li> <li>Completed</li> <li>Agreed with ICT Service that coverage will be considered as part of 2019/20 Cyber Security audit work.</li> <li>Final report to be issued Q4</li> </ul>

<b>Schools</b>	14 Opinion Reports to be issued. The full list of audits to be confirmed through 2018/19. (CFW).	<p>8 final reports issued to date:</p> <ul style="list-style-type: none"> <li>-St. Antony's Catholic College (28/11/18)</li> <li>-Our Lady of Lourdes Catholic Primary School (27/11/18)</li> <li>-Altrincham C of E Primary School (20/11/18)</li> <li>-Woodhouse Primary School (5/10/18)</li> <li>-Templemoor Infant and Nursey School (5/10/18)</li> <li>-Bowdon Church School (15/5/18)</li> <li>-The Firs Primary School (8/5/18)</li> <li>-Trafford Alternative Education (Trafford High School and Trafford Medical Education Service) (2/5/18)</li> </ul> <p>1 draft report issued:</p> <ul style="list-style-type: none"> <li>-Willows Primary School (13/12/18)</li> </ul> <p>Draft findings shared with school:</p> <ul style="list-style-type: none"> <li>-St. Hugh of Lincoln RC Primary School.</li> </ul>	<p>5 final reports to be issued in Q4:</p> <ul style="list-style-type: none"> <li>-Willows Primary School</li> <li>-St. Hugh's of Lincoln RC Primary School</li> <li>- Flixton Primary School</li> <li>- Heyes Lane Primary School</li> <li>- English Martyrs' RC Primary School</li> </ul> <p>1 draft report to be issued in Q4 (with final report by Q1 2019/20):</p> <ul style="list-style-type: none"> <li>- Navigation Primary School</li> </ul> <p>3 other reviews to commence in Q4 (with final reports issued by Q1 2019/20):</p> <ul style="list-style-type: none"> <li>-Highfield Primary School</li> <li>-Delamere School</li> <li>-Egerton High School</li> </ul>
<b>Assurance – Other Key Business Risks</b>	<ul style="list-style-type: none"> <li>- Old Trafford Library (T&amp;R)</li> <li>- Bereavement Services (T&amp;R)</li> <li>- Trafford Town Hall - Catering Income (T&amp;R)</li> <li>- Let Estates (EGEI)</li> <li>- Client Finances (Appointees and Deputyships) (T&amp;R/CFW)</li> <li>- Section 17 Payments – Children (CFW)*</li> <li>- Music Service (T&amp;R)</li> <li>- Altrincham Library (T&amp;R)</li> <li>- Flixton House (T&amp;R)</li> <li>- Registration Service (T&amp;R)</li> <li>- Licensing (EGEI)</li> <li>- Planning Enforcement (EGEI)</li> <li>- Pest Control (EGEI)</li> <li>- Environmental Health (EGEI)</li> <li>- Strategic Growth Team (EGEI)</li> <li>- Statutory Homelessness Services (EGEI)</li> <li>- Energy Management (EGEI)</li> <li>- Payments to Care Leavers - follow up (CFW)</li> <li>- Aids and Adaptations - follow up (CFW)</li> <li>- Business Continuity – follow up (T&amp;R /Authority Wide)</li> <li>- Stronger Families Programme (CFW)</li> </ul>	<p>Final report issued 10/7/18</p> <p>Final report issued 21/5/18</p> <p>Draft findings shared with management</p> <p>Final report issued 8/5/18</p> <p>Draft findings shared with management.</p> <p>In progress</p> <p>-</p> <p>-</p> <p>-</p> <p>Final report issued 20/7/18</p> <p>-</p> <p>-</p> <p>Final report issued 14/8/18</p> <p>Draft findings produced</p> <p>-</p> <p>-</p> <p>Initial work undertaken and findings shared</p> <p>-</p> <p>Draft findings shared with management</p> <p>Final report issued 29/11/18</p> <p>Final report issued 17/10/18</p>	<p>Completed</p> <p>Completed</p> <p>Final report to be issued Q4</p> <p>Completed</p> <p>Final report to be issued Q4</p> <p>Draft report to be issued Q4</p> <p>Commence end of Q4</p> <p>Commence planning in Q4</p> <p>Rescheduled in agreement with service to 2019/20</p> <p>Completed</p> <p>Commence in Q4</p> <p>Rescheduled in agreement with service to 2019/20</p> <p>Completed</p> <p>Final report to be issued Q4</p> <p>Timing to be agreed</p> <p>Commence in Q4</p> <p>Completed for 2018/19 / further work to be agreed.</p> <p>Commence in Q4</p> <p>Final report to be issued in Q4.</p> <p>Completed</p> <p>Completed</p>

**National Fraud Initiative – Update on 2018/19 Exercise**

The Audit and Assurance Service continues to co-ordinate the Council's participation in the Statutory National Fraud Initiative (NFI) exercise.

The NFI is a nationwide data matching exercise. It is 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 main exercise is carried out once every two years at minimal cost to the organisations involved and is firmly established as the United Kingdom's premier public sector fraud detection exercise.

The introduction of GDPR in May 2018 required changes to the Fair Processing Notices (FPNs) the Council has traditionally published in advance of the NFI exercise. The Audit and Assurance Service liaised with the Council's Information Governance team to ensure up to date privacy notices were in place ahead of the 2018/19 exercise.

The following datasets for the 2018/19 NFI exercise were submitted to the Cabinet Office during October and December 2018:

- Payroll Data
- Pension Gratuity Payment Data
- Creditors Standing Data
- Creditors History Data
- Electoral Register Data
- Council Tax Data
- Council Tax Reduction Scheme Data
- Housing Waiting List Data
- Taxi Licensing Data
- Personal Alcohol Licensing Data
- Street Trader Data
- Personal Budget (Direct Payment) Data
- Private Residential Care Home Data
- Resident Parking Permit Data.

Dataset matches were all due to be released shortly after the time of writing this report at the end of January 2019. The Audit & Assurance Service liaises with services across the Council to ensure high priority matches are reviewed and, where appropriate, followed up through the year. Details of progress will be reported in future updates to the Corporate Leadership Team and the Accounts and Audit Committee, including in the Annual Head of Internal Audit Report

## Client Survey Responses 2018/19 (as at 31 December 2018)

	V.Good	Good	Satisfactory	Adequate	Poor
Consultation on audit process and audit coverage prior to commencement of the audit	9				
Feedback of findings and liaison during the audit	8	1			
Professionalism of auditors	8	1			
Helpfulness of auditors	8	1			
Timeliness of the review and the draft report	6	2	1		
Clarity of the report	7	2			
Accuracy of the report	6	3			
Practicality of the recommendations made	4	4	1		
Usefulness of the audit as an aid to management	6	3			
<b>Total</b>	<b>62</b>	<b>17</b>	<b>2</b>		
<b>%</b>	<b>77%</b>	<b>21%</b>	<b>2%</b>		
	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?		2	6	1	
<b>%</b>		<b>22%</b>	<b>67%</b>	<b>11%</b>	

(Note: the results are based on responses from 9 client surveys received in the period).



## POINTS OF INFORMATION TO SUPPORT THE REPORT:

### Audit Opinion Levels (RAG reporting) :

#### Opinion – General Audits

High – Very Good	Green
Medium / High – Good	Green
Medium – Adequate	Green
Low / Medium - Marginal	Amber
Low – Unsatisfactory	Red

An opinion is stated in each audit report to assess the standard of the control environment.

### Report Status:

#### Draft reports:

These are issued to managers prior to the final report to provide comments and finalise agreed responses to audit recommendations.

#### Final reports:

These incorporate management comments and responses to audit recommendations, including planned improvement actions.

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### 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 such as an establishment.
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