

**Summary of work undertaken supporting the HoIAS opinion 2015-16**

<b>Category</b>	<b>Audit Title</b>	<b>Proposed audit scope, i.e. confirm risks are managed to ensure that.....</b>	<b>Summary recommendations</b>	<b>Opinion</b>
Governance	Annual Statement of Assurance incorporating Performance Management	Reliance can be placed on the assurance and performance management framework in operation within the organisation in order to contribute towards an adequate and effective internal control environment	<ul style="list-style-type: none"> <li>• Incorporate links to the MTFP and IRMP</li> <li>• Improve links and conformance to the LGTC</li> <li>• Clarify the sources of supporting information</li> </ul>	Substantial
Governance	Ethics & culture	<p>Appropriate ethics and values are promoted within the organisation – building on self-assessment work undertaken in 14/15 e.g. application of whistleblowing and Freedom of Information requirements</p> <p>Note: An opinion on this is required in accordance with the Public Sector Internal Audit Standards (Ref 2110)</p>	<ul style="list-style-type: none"> <li>• Review the whistle-blowing policy and procedure including assigning responsibilities for upkeep and investigations</li> <li>• Report complaints performance</li> </ul>	Substantial

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Risk management	Risk Management (RM) Framework	The revised risk management framework is effective in assisting the CFA achieve its objectives.	<ul style="list-style-type: none"> <li>• RM training to Area Managers</li> <li>• Consistency in RM assessments and applying further actions</li> <li>• Confirm role of EAB in RM</li> <li>• Merging registers</li> <li>• Improve templates</li> <li>• Publish approved register</li> </ul>	Substantial
Risk management	Anti-Fraud Related Coverage	Assessment against the Authority's conformance to the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption	The assessment revealed a good level of performance against the Code. Effective arrangements are in place across many aspects and there is positive action to improve resilience to fraud and to manage fraud risks. There are some areas of weakness which will be reviewed.	Substantial

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Internal control	Reconciliations and balances. 2014-15 accounts final audit (*)	General Ledger, receivables, payables, investments and payroll are routinely reconciled and balanced. Tests required by the external auditor are that all reconciliations have been completed, signed and dated. For one month, detailed tests are required; significant entries are valid, calculations are accurate and evidence to support adjustments.	None	Full
Internal control	Reconciliations and balances 2015-16 accounts interim audit (*)	As above but for 2015-16 transactions	None	Full
Internal control	Payroll 2014-15 accounts final audit (*)	Starters, leavers and variations to pay are valid and accurately accounted for. Links to the annual fraud survey 'Protecting the public purse'	<ul style="list-style-type: none"> <li>• Improve procedures to avoid overpayments</li> <li>• Improve pre/post payroll checks</li> </ul>	Substantial
Internal control	Payroll 2015-16 accounts interim audit (*)	As above but for 2015-16 transactions	<ul style="list-style-type: none"> <li>• Consider increasing post payroll checks</li> <li>• Cross check leavers information</li> </ul>	Substantial

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Internal control	ICT controls (*)	The ICT infrastructure is robust. Note: This audit is required to assess the integrity of the ICT infrastructure and associated applications that either directly or indirectly contribute to the production of the financial statements and associated management decision making.	A number of important recommendations were made but none were given a "high importance" rating signifying a particularly serious control weakness had been identified. Recommendations ranged across: - <ul style="list-style-type: none"> <li>• ICT risk management</li> <li>• ICT security</li> <li>• Network security</li> <li>• Systems administration</li> <li>• Privileges assigned</li> <li>• Change control</li> </ul>	Substantial
Internal control	Pensions (*)	Starters, leavers and variations to pay are accurately accounted for in respect of pensionable adjustments required. Financial feeds from the payroll provider are accurately and promptly recorded within the Aggresso financials system. Contribution banding, pensions increases and dependents pension requirements are also correctly applied	<ul style="list-style-type: none"> <li>• Confirm with the provider that the payroll system had been updated to administer the FPS 2015 scheme.</li> </ul>	Substantial
Internal Control	Pensions CARE calculations	<b>Unplanned</b> : walk through testing to give assurance on the validity and accuracy of calculations with regard to payments for new pensions and lump sums	None	Full

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Internal Control	National Fraud Initiative	Co-ordination of data download and investigation of subsequent data matches.  Links to the annual report 'Protecting the public purse'	<ul style="list-style-type: none"> <li>• One duplicate payment of just over £4,000 was identified and recovered.</li> </ul>	No opinion
Internal Control	Use of p-cards	Conclude the 2014-15 audit to review the circumstances surrounding the reported small value and one off misuse of one of the LFRS p-cards and to give assurances to management that robust procedures exist to both (i) approve p-card holders within the Authority and (ii) monitor on-going p-card usage.	<ul style="list-style-type: none"> <li>• Stop card sharing</li> <li>• Review and update guidance on usage</li> <li>• Contact the respective merchant and card issuer</li> <li>• Consider informing the Police</li> </ul>	Complete

*(\* Refers to audits required by the former external auditor in their annual assessment of the likelihood of material misstatement in the Authority's financial accounts.*

**Work not undertaken**

<b>Category</b>	<b>Audit Title</b>	<b>Proposed audit scope, i.e. confirm risks are managed to ensure that.....</b>	<b>Reason</b>
Governance	Organisational Change Project	A robust framework exists for planning, implementing and monitoring and aligning to the MTFP requirements e.g. efficiencies, increased income and service reductions	Deferred as agreed with Treasurer
Risk management	Procurement	Legislation and policy is complied with and collaboration opportunities are maximised. Coverage will consider the effectiveness of arrangements for detecting and addressing off-contract purchasing, and for any large scale tender processes adequate governance, risk management and internal control requirements have been considered	Deferred as agreed with Treasurer
Internal control	Agresso Business Management System	Modules of the business management system operate in accordance with business requirements  <i>Areas of coverage to be defined in conjunction with the external auditor to avoid omission or duplication.</i>	Deferred as agreed with Treasurer