

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Chief Internal Auditor's Annual Opinion Report 2019/20
Meeting date	26 November 2020
Status	Public Report
Executive summary	<p>It is the opinion of the Chief Internal Auditor that during the 2019/20 financial year:</p> <ul style="list-style-type: none"> • arrangements were in place to ensure an adequate and effective internal control environment and that where weaknesses were identified there was an appropriate action plan in place to address them; • the systems and internal control arrangements were effective and that agreed policies and regulations were complied with; • adequate arrangements were in place to deter and detect fraud; • there was an appropriate and effective risk management framework; • managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls; • the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service; and that • the arrangements, in respect of the Chief Internal Auditor, were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".
Recommendations	<p>It is RECOMMENDED that:</p> <p>the Audit & Governance Committee note the Chief Internal Auditor's Annual Report and opinion on the overall adequacy of the internal control environment for BCP Council.</p>
Reason for recommendations	The Chief Internal Auditor's Annual Report and opinion for BCP Council provides assurance on the effectiveness of the Council's control environment as required by the Public Sector Internal Audit Standards.
Portfolio Holder(s):	Drew Mellor, Leader of the Council
Corporate Director	Graham Farrant, Chief Executive
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ✉ nigel.stannard@bcpcouncil.gov.uk</p>

Wards	Council-wide
Classification	For Information

Background

1. The Chief Internal Auditor's Annual Report and Opinion for the BCP Council was produced in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS), which requires the Head of Audit and Management Assurance, in his role as Chief Internal Auditor, to report annually on:
 - the adequacy and effectiveness of the internal control environment; and on
 - conformance by the Internal Audit Section to the PSIAS
2. The Audit & Governance Committee must consider the Councils' Chief Internal Auditor's Annual Report and Opinion before its consideration of the Councils' Annual Governance Statement.
3. It should be noted that the title 'Chief Internal Auditor' is interchangeable with the terms 'Head of Internal Audit', 'Chief Audit Executive' and 'Head of Audit & Management Assurance' used in this report or in other relevant publications, guidance or standards.

The Chief Internal Auditor's Consideration & Opinion Summary

4. The Chief Internal Auditor's Annual Report & Opinion 2019/20 for BCP Council is provided at Appendix A.
5. In summary it is the opinion of the Chief Internal Auditor for BCP Council that:
 - arrangements were in place to ensure an adequate and effective internal control environment and that where weaknesses were identified there was an appropriate action plan in place to address them;
 - the systems and internal control arrangements were effective and that agreed policies and regulations were complied with;
 - adequate arrangements were in place to deter and detect fraud;
 - there was an appropriate and effective risk management framework;
 - managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
 - the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service; and that
 - the arrangements at the Council in respect of the Chief Internal Auditor were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".

Options Appraisal

6. An options appraisal is not appropriate for this report.

Summary of financial implications

7. The total actual net cost, for the 2019/20 financial year, of the Internal Audit section was £672,744; compared against the budget of £699,200, this resulted in a net underspend of £26,456. These numbers were inclusive of the Head of Audit & Management Assurance who managed several other teams and an Auditor who specialises in corporate fraud investigation, detection and prevention.

Summary of legal implications

8. The Public Sector Internal Audit Standards (2017), which encompass the mandatory elements of the chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), require that the Council's Chief Audit Executive provides an annual report and opinion on the adequacy and effectiveness of the internal control environment to those charged with governance of the organisation.

Summary of human resources implications

9. There was 13.55 full-time equivalent (FTE) Internal Audit staff members employed across the Council during 2019/20 inclusive of the Head of Audit & Management Assurance who manages several other teams and an Auditor who specialises in corporate fraud investigation, detection and prevention. It is the opinion of the Chief Internal Auditor that these resources were sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances outlined in this report.

Summary of sustainability impact

10. There are no direct sustainability impact implications from this report.

Summary of public health implications

11. There are no direct public health implications from this report.

Summary of equality implications

12. There are no direct equality implications from this report.

Summary of risk assessment

13. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix A – Chief Internal Auditor's Annual Report & Opinion 2019/20
Including Annexe 1, 2 and 3

Chief Internal Auditor's Annual Report & Opinion 2019/20

Introduction

- 1 This annual report is produced in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS). The PSIAS encompasses the mandatory elements of the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows: Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing. The PSIAS require the Chief Internal Auditor to report annually on the adequacy and effectiveness of the internal control environment; this report covers the period 1 April 2019 to 31 March 2020.
- 2 The scope of the Council's internal control environment that the Chief Internal Auditor is required to provide an opinion on is set out in the Council's Assurance Framework. The opinion given by the Chief Internal Auditor assists the Audit & Governance Committee in forming their view on the Annual Governance Statement.

Chief Internal Auditor's Audit Opinion 2019/20

- 3 The establishment of adequate and effective control systems is the responsibility of management. Internal Audit reviews were conducted using risk-based scoping, planning and sampling methodology; consequently, not every Council activity, transaction or project has been reviewed in-year by Internal Audit. It therefore follows that the Chief Internal Auditor is unable to provide absolute assurance that the internal control environment is operating adequately and effectively.
- 4 Based on the work undertaken by Internal Audit during 2019/20, it is the opinion of the Chief Internal Auditor that:
 - a arrangements were in place to ensure an adequate and effective internal control environment and that where weaknesses were identified there was an appropriate action plan in place to address them;
 - b the systems and internal control arrangements were effective and agreed policies and regulations were complied with;
 - c adequate arrangements were in place to deter and detect fraud;
 - d there was an appropriate and effective risk management framework;
 - e managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
 - f the Council's Internal Audit service was effective and compliant with all regulations and standards as required of a professional internal audit service; and that
 - g the arrangements in respect of the Chief Internal Auditor were consistent with all of the five principles set out in the CIPFA publication "The Role of the Head of Internal Audit in Public Sector Organisations".
- 5 This opinion is based on the results of the Internal Audit work undertaken and reported upon during 2019/20. While internal control weaknesses and non-compliance with policies were identified during Internal Audit reviews, corrective actions have been agreed with

management. This willingness to respond to and correct issues raised during audit reviews is a key aspect in the Chief Internal Auditor giving an 'unqualified opinion'.

Basis of the Chief Internal Auditor's Opinion – A summary look back at work undertaken in 2019/20

Regularity Audit Work

- 6 The work of Internal Audit is designed to provide an annual opinion on the adequacy and effectiveness of the internal control environment. The work carried out in 2019/20 to provide the annual opinion was agreed by the Audit & Governance Committee.
- 7 All Service directorates were audited during 2019/20 and a high percentage (87%) of the audit plan was completed. This was slightly under the 90% target due to the impact of carrying out unplanned COVID-19 grant work in March and April 2020, however the level of work carried out on the audit plan has enabled this overall Chief Internal Auditor's opinion to still be adequately evidenced. A list of all audits completed during 2019/20 is attached at Annexe 1.
- 8 Each audit report provides an overall level of assurance on the adequacy of the management arrangements to manage the identified risks within the area reviewed. The assurance level definitions are as follows:

Assurance Level Definitions	
Substantial	There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
Reasonable	Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
Partial	There are weaknesses in the control framework which are putting service objectives at risk.
Minimal	The control framework is generally poor as such service objectives are at significant risk.

- 9 The list of audits carried out during 2019/20 in Annexe 1 also details the assurance level given for each review. In summary, 8 'Substantial', 52 'Reasonable' and 14 'Partial' assurance level opinions were given during the year (additionally 4 consultancy reviews have been carried out during 2019/20). There were no Minimal assurance opinions given for any of the audits. The 'Partial' opinion audits were:

	Audit	High Priority recommendations to improve controls covering:
1	Adult Social Care - Mosaic Payment Processes Project	Potential duplicate payments; homecare packages uplifted with learning disability framework charge rates; provider accounts in credit monitored and cleared; residential care service users in receipt of gross payments invoiced for user contributions.
2	Adult Social Care - Partnerships (Dorset Health Care)	No framework for common performance management in place resulting in non-compliance with several partnership agreement objectives.

	Audit	High Priority recommendations to improve controls covering:
3	Inclusion & Family Learning - Financial Management (Budgetary Control & Direct Payments)	High needs block financial recovery plan (detailed operation plan of how savings are to be made); legacy Christchurch children reviewed & monitored in accordance with policy and ensuring always have direct payment (DP) agreements in place; effective financial monitoring and surplus balance recovery for DP children within legacy Poole.
4	Environment - Governance of Charities (Parks & Gardens)	Trust governance structures, trustee roles and responsibilities clarification to ensure sufficient separation between the Council's roles as a Local Authority and as a Trustee; formal service level agreement between the Council and the Trusts, Lower Central Gardens Management Plan formally agreed and to provide for sufficient separation between the Council's roles as a Local Authority and as a Trustee; Management Plan for Five Parks Trust.
5	Housing - Governance of Companies	Formal assessment of whether the Housing companies have met their aims and objectives under the legacy BBC Housing Strategy and an appraisal of delivery options; proactive Council control and oversight of BBML and SGL to demonstrate effective governance; ensure knowledge, experience and capacity within the Housing Service Unit to take on the proposed transfer of the Company Secretary role; newly-appointed Directors to undertake training to allow them to understand and comply with their roles and responsibilities; consider risk of inequality and associated legal challenge for staff employed by BBML who are subject to substantially different terms and conditions than those employed directly by the Council.
6	Communities - Poole Market	Segregation of duties for the collection, recording and banking of all income from the market.
7	Communities - Licensing	Secure storage of 'Poole Zone' hard copy application forms and supporting documentation containing sensitive personal information.
8	Law & Governance - Declaration of Interest	Consistency of the Declaration of Interest process (based on four legacy Employee Code of Conducts).
9	IT & IS - Councillors IT Equipment	Access to personal, resident or confidential data after the return of Councillors IT equipment.
10	IT & IS - Local Land Property Gazateer (LLPG)	Ensure LLPG database meets 'Bronze' standard as set by GeoPlace (to prevent risk of fines being issued).
11	Finance - Business Continuity	Business Continuity & Emergency Planning governance framework and the business continuity strategy are not yet in place for BCP.

	Audit	High Priority recommendations to improve controls covering:
12	Organisation Development - Business Planning & Performance Management	New BCP Performance Management Framework requires approval and implementation.
13	Communities - Health & Safety	Corporate Health & Safety and Fire Safety Board attendance by all representatives; Service Directorate Health & Safety and Fire Safety meetings frequency and monitoring; legacy Christchurch area cautionary contact register data accessibility and update.
14	Organisation Development - Programme/ Project Management	Corporate change governance framework not in place resulting in risk that projects are carried out in an inconsistent manner across the Council and without an appropriate level of corporate oversight.

- 10 Regularity Audit work undertaken in 2019/20 covered a range of systems in different service areas and schools and included an audit of the Council's fundamental financial systems, including Main Accounting, Creditors, Debtors, Payroll, Housing Rents, Housing Benefits, Treasury Management, Council Tax and NDR systems as set out in Annexe 2.
- 11 The Council's assurance map set out at Annexe 3 has been populated to show Internal Audit coverage during 2019/20 over the significant risks facing the Council.
- 12 Recommendations were made throughout the year across all service areas and schools and action plans detailing management actions to mitigate the risks and control weaknesses identified have been agreed in all cases.
- 13 For all audits finalised during the period April 2019 to March 2020, a total of 517 recommendations were made. 100% of these recommendations have been accepted by management. The establishment of robust follow-up procedures has provided assurance that the implementation of audit recommendations is high; the current position on the implementation of high priority recommendations is 85%.
- 14 Outstanding actions in response to recommendations have been noted; the majority of these outstanding actions relate to longer term improvements, those with target dates not yet reached, and those actions for which other priorities or service needs have necessitated a revised implementation date to be agreed. It has therefore not been necessary to instigate the audit recommendation escalation policy agreed with the Audit & Governance Committee.
- 15 Auditees score individual areas of the audit process resulting in a combined total client satisfaction score (100% Very Satisfied, 75% Satisfied, 50% Dissatisfied, 25% Very Dissatisfied). The auditee satisfaction score for 2019/20 of 85% exceeded the target of 75%, illustrating a high level of satisfaction with the way in which audits are conducted.

Counter Fraud Work

- 16 Counter Fraud work was undertaken during 2019/20 to improve the Council's arrangements for combating fraud & corruption. This work included targeting fraud risk areas such as creditor payments, cash income, petty cash, NDR small business rate relief, recourse to public funds and also tackling high value external fraud against the Council.
- 17 Internal Audit have provided specialist investigative resource to support management with high risk fraud areas (housing applications/tenancies, right to buy and blue badges). Time was also spent on coordinating the Cabinet Office National Fraud Initiative (NFI) data matching exercise.

- 18 Proportionate investigations were undertaken during the year in response to every identified or suspected case of financial irregularity.
- 19 The outcomes of this counter fraud work (including concluded investigations and NFI results) are incorporated into the Internal Audit Counter Fraud Work and Whistleblowing Referrals annual report which was presented to the October 2020 Audit & Governance Committee meeting.

Risk Management Framework

- 20 An annual audit review of the key assurance function Risk Management was carried out and resulted in an 'Reasonable' audit opinion, demonstrating the adequacy of the risk management framework. The Audit and Governance Committee receive, on a quarterly basis, an update on the Council's corporate risk register.

Governance Work

- 21 A BCP Local Code of Governance was in place from 1 April 2019. An update to the Local Code is being taken to this Committee meeting as part of the Annual Governance Statement report.
- 22 Progress made against actions arising from the 2018/19 Annual Governance Statement (AGS) has been reviewed and presented to the Audit & Governance Committee in 2019/20.
- 23 Work has been undertaken to compile the 2019/20 AGS for inclusion in the Council's statement of accounts. As part of the review Service Directors have evaluated the adequacy and robustness of their management controls via the completion of Management Assurance Statements.

Compliance with Professional Standards

- 24 From 1 April 2013, the Public Sector Internal Audit Standards came into effect. The PSIAS apply the IIA International Standards to the UK Public Sector. Under standard 1310, the Council must ensure that it puts in place a quality assurance and improvement programme in respect of Internal Audit, which must include both internal and external assessments. An external assessment is required to take place within 5 years of the effective date of the PSIAS.
- 25 An annual internal self-assessment has been carried out which demonstrated all standards were met. Independence and objectivity have been maintained at all times, in accordance with the standards.
- 26 In order for technical compliance with the PSIAS an external review of the Internal Audit Section is required to be undertaken every 5 years. Options for the external assessor were presented to the Audit & Governance Committee earlier in the year and plans were in place to procure a provider and CIPFA were the preferred provider. COVID-19 work volume and budgetary pressures put this aspiration temporarily on hold. CIPFA are now re-engaged and a revised timetable of agreeing the assessment in quarter 1, 2021/22 is being agreed.
- 27 CIPFA has produced a publication "The Role of the Head of Internal Audit in Public Sector Organisations". This document demonstrates the Head of Internal Audit's (HIA) critical role in delivering the organisation's strategic objectives. An annual assessment has been carried out in respect of the five principles contained in this document, which states that the HIA:
- a should promote good governance, assess the adequacy of governance and management of existing risks, and advise on proposed developments;
 - b should give an objective and evidence based opinion on all aspects of governance, risk management and internal control;
 - c must be a senior manager with regular and open engagement across the organisation with the Leadership Team and the external auditor;

- d must lead and direct an internal audit service that is resourced to be fit for purpose; and
- e must be professionally qualified and suitably experienced.

28 The Chief Finance Officer (CFO) has confirmed, through regular 1:1 meetings and a formal annual appraisal, that the Council's Chief Internal Auditor is compliant with all of these five principles.

Conclusion

29 It is the opinion of the Chief Internal Auditor that the Internal Audit Team complies with professional standards and has completed sufficient and appropriate work to provide assurance on the adequacy and effectiveness of the Council's internal control environment.

Appendices

Annexe 1	2019/20 Audits Completed
Annexe 2	Key Financial System Audit Opinions
Annexe 3	Internal Audit Assurance Map 2019/2020

Annexe 1: 2019/20 Audits Completed

	Service Area	Audit	Assurance Opinion
	SERVICE UNIT AUDITS		
1	Adult Social Care	Debt Management Review (inherited legacy BoP system)	Reasonable
2	Adult Social Care	Debt Management Review (inherited legacy BBC system)	Reasonable
3	Adult Social Care	Partnerships KAF – Dorset Health Care	Partial
4	Adult Social Care	ASC Finance Review Project	Consultancy
5	Adult Social Care	Mosaic Payment Processes Project	Partial
6	ASC Commissioning	Moving on from Hospital s75 Funding Agreement	Reasonable
7	Public Health	CFO Statement of Assurance: Ring Fenced PH Grant	Reasonable
8	Children's Social Care	Out of Hours Service	Reasonable
9	Children's Social Care	Aspire Adoption	Reasonable
10	Children's Social Care	Private Fostering	Consultancy
11	Quality & Commissioning	Procurement (Contracts Register)	Substantial
12	Inclusion & Family Learning	Financial Management (Budgetary Control & Direct Payments)	Partial
13	Inclusion & Family Learning	Virtual School - Pupil Premium Reform	Consultancy
14	Children's Services	GDPR (follow up)	Reasonable
15	Children's Services	ICT Systems Applications	Reasonable
16	Growth & Infrastructure	Car Parks	Reasonable
17	Development	Asset Management	Reasonable
18	Development	Investment Strategy	Reasonable
19	Destination & Culture	Arcade	Reasonable
20	Destination & Culture	Adult Education	Reasonable
21	Destination & Culture	Seafront Cash Income	Reasonable
22	Destination & Culture	Libraries administration (Income)	Reasonable
23	Environment	Governance of Charities (Parks & Gardens)	Partial
24	Environment	Parks Asset Management and Health & Safety	Reasonable
25	Environment	Parks Cash Income	Reasonable
26	Environment	Kings Park Nursery Cash Income	Reasonable
27	Environment	Cash Income (Parks Catering/Boscombe Mini Golf, QP Golf Club)	Reasonable
28	Housing	Governance of Companies	Partial
29	Communities	Poole Market	Partial
30	Communities	Licensing	Partial
31	Communities	CCTV	Reasonable
32	Law & Governance	Declaration of Interest	Partial
33	IT & IS	Councillors IT Equipment	Partial
34	IT & IS	Local Land Property Gazateer	Partial
35	IT & IS	Commissioning and Install of IT Equipment	Substantial
36	IT & IS	System Application Access Across BCP Networks	Substantial
37	Organisation Development	Social Media	Reasonable

	Service Area	Audit	Assurance Opinion
38	SVPP	GDPR & Information Governance	Reasonable
	KEY ASSURANCE FUNCTION AUDITS		
39	Development	Asset Management	Reasonable
40	Finance	Business Continuity	Partial
41	Organisation Development	Business Planning & Performance Management	Partial
42	Finance	Financial Management	Reasonable
43	Communities	Health & Safety	Partial
44	Organisation Development	Human Resources	Reasonable
45	IT & IS	ICT Policies	Reasonable
46	Law & Governance	Information Governance	Reasonable
47	Organisation Development	Programme/ Project Management	Partial
48	Finance	Risk Management	Reasonable
49	Finance	External Arrangements	Consultancy
	KEY FINANCIAL SYSTEMS AUDITS		
50	Finance	Council Tax	Reasonable
51	SVPP	Council Tax	Reasonable
52	Finance	Non-Domestic Rates	Reasonable
53	SVPP	Non-Domestic Rates	Substantial
54	Finance	Housing Benefits	Substantial
55	SVPP	Housing Benefits	Substantial
56	Finance	Debtors	Reasonable
57	Finance	Cashiering Services	Substantial
58	SVPP	Cashiering Services	Substantial
59	SVPP	Social Care Financial Assessments	Reasonable
60	Finance	Payroll	Reasonable
61	Finance	Treasury Management	Reasonable
62	Housing & Communities	Housing Rents	Reasonable
	SCHOOL AUDITS		
63	Inclusion & Family Learning	St Edwards	Reasonable
64	Inclusion & Family Learning	Hillbourne	Reasonable
65	Inclusion & Family Learning	Christchurch Learning Centre	Reasonable
66	Inclusion & Family Learning	Christchurch Infant School	Reasonable
67	Inclusion & Family Learning	Mudford Junior School	Reasonable
68	Inclusion & Family Learning	Mudford Community Infants School	Reasonable
69	Inclusion & Family Learning	Somerford Primary Community School	Reasonable
70	Inclusion & Family Learning	St Joseph's Catholic VA Primary School	Reasonable
71	Inclusion & Family Learning	Highcliffe St Mark Primary School	Reasonable
72	Inclusion & Family Learning	Burton CE Primary School	Reasonable
73	Inclusion & Family Learning	The Priory CE VA Primary School	Reasonable
	COUNTER FRAUD AUDITS		

	Service Area	Audit	Assurance Opinion
74	Finance\SVPP	NDR SBR Relief Data Match	Reasonable
75	Finance	Creditor Duplicate Payments	Reasonable
76	All service areas	Cash Income	Reasonable
77	All service areas	Petty Cash	Reasonable
78	Adult Social Care	Recourse to Public Funds	Reasonable

Audits Being Carried Out Across 2019/20/21			
	Service Area	Audit	
79	Finance	Creditors	
80	SVPP	Debtors	
81	ASC Commissioning	Performance Monitoring	
82	Environment	Fleet Management	
83	Environment	Cash Income (Waste & Recycling Centres)	

Audits Deferred For Consideration In 2020/21			
	Service Area	Audit	Comment/ rationale
84	Adult Social Care	Adult Safeguarding	Requested deferral by ASC Corporate Director due to ongoing review of corporate safeguarding arrangements.
85	Adult Social Care	Social Services Financial Assessments	Delayed due to staffing/resources issues in financial assessments team and implementation of new IT system.
86	ASC Commissioning	ASC Commissioning - Volunteer Organisation contract Management	ASC Director group agreed revised scope to cover contractual arrangements over use of volunteers to be carried out in 2020/21.
87	ASC Commissioning	Micro Commissioning Project	ASC Director Group requested delay until 2020/21 (when projects available to review).
88	Childrens Services	Health & Safety	Audit delayed in March due to COVID-19 work
89	Finance	Procurement	Audit delayed in March due to COVID-19 work
90	Housing	Lifeline / Telecare Services	Request from management to delay until quarter one 2020/21 (due to staffing issues).
91	Housing	Asset Management - Facilities Management	Audit delayed in March due to COVID-19 work
92	Quality & Commissioning	Commissioning ART	Requested deferral by Childrens Corporate Director due to ongoing restructure of service.
93	Public Health	Governance Arrangements and VFM Outcomes Framework	Audit delayed in March due to COVID-19 work

Annexe 2: Key Financial Systems Opinions

Assignment Title	Service Area	2019/20 Opinion	2018/19 Opinion	2017/18 Opinion
Council Tax	Finance	Reasonable	Reasonable	Substantial
Council Tax	SVPP	Reasonable	Reasonable	Reasonable
NDR	Finance	Reasonable *	Substantial	Substantial
NDR	SVPP	Substantial	Substantial	Substantial
Housing Benefits	Finance	Substantial	Substantial	Substantial
Housing Benefits	SVPP	Substantial	Reasonable	Reasonable
Debtors	Finance	Reasonable	Reasonable	Reasonable
Debtors	SVPP	2019/20/21 Audit	Reasonable	Reasonable
Main Accounting	Finance	Reasonable	Reasonable	Reasonable
Creditors	Finance	2019/20/21 Audit	Partial	Reasonable
Payroll	Finance	Reasonable	Reasonable	Substantial
Treasury Management	Finance	Reasonable**	Substantial	Substantial
Housing Rents	Housing	Reasonable	Reasonable	Partial
Cashiering Services	Finance (Christchurch)	Substantial	-	-
Cashiering Services	SVPP	Substantial	Reasonable	Reasonable
Social Services Financial Assessments	Adult Social Care	c/fwd to 20/21	-	-
Social Services Financial Assessments	SVPP	Reasonable	Reasonable	Reasonable

Notes

*NDR (Finance) - Recommendations were made to improve controls over NNDR write-offs and credit balances

**Treasury Management - Recommendations were made to improve controls over monitoring reports, compliance with the Treasury Management Policy, payment system access controls and authorisation guidance for officers.

Annexe 3

BCP Internal Audit Assurance Map 2019/20

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	Internal Audit Assurance Work
Internal Audit	<ul style="list-style-type: none"> • All Service Directorates audited during 2019-20 • 78 out of 93 Audits completed (see Annexe 1 for list of audits) and 5 carried out across 19/20/21. • 8 Substantial, 52 Reasonable and 14 Partial Assurance Level opinions were given during the year (4 consultancy) • There were no Minimal assurance opinions
Procurement	<ul style="list-style-type: none"> • Internal Audit review of Procurement ongoing across 2019/20/21. No significant concerns raised to date • See separate Annual Report on Breaches and Waivers reported to this committee in July 2020.
Risk Management	<ul style="list-style-type: none"> • Legacy Council's Corporate Risk Management Strategies and frameworks in place • Regular risk management reporting took place during the year to Audit & Governance Committee and Senior Management • Audit review carried out on current arrangements for risk management ('Reasonable' audit opinion)
Financial Management	<ul style="list-style-type: none"> • Regular reporting took place in year to Cabinet and Council • Internal Audit review of Main Accounting system undertaken during the year ('Reasonable' audit opinion)
Business Continuity	<ul style="list-style-type: none"> • Regular reporting took place during the year on corporate emergency planning arrangements to Audit & Governance Committee • Corporate Resilience Strategy is in place • Audit review carried out on current arrangements for business continuity. Business continuity & emergency planning governance framework and the business continuity strategy are not yet in place for BCP, resulting in 'Partial' audit opinion.
Information Communication Technology	<ul style="list-style-type: none"> • Audit reviews carried out on several IT & IS service areas during the year with the following opinions: System Application Access Across BCP Networks (Substantial), Commissioning & Install of IT Equipment (Substantial), ICT Policies (Reasonable), Councillors IT Equipment (Partial), Local Land Property Gazateer (Partial).
Asset Management	<ul style="list-style-type: none"> • Internal Audit carried out an annual assurance review on Asset Management ('Reasonable' audit opinion)

INTERNAL SOURCES OF ASSURANCE

Source of Assurance	Internal Audit Assurance Work
Counter Fraud	<ul style="list-style-type: none"> • Audit assignments carried out during 2019/20 have considered the risk of fraud • Corporate Fraud Officer has provided support to service units on high risk external fraud areas (including housing allocation/tenancy) • Several investigations carried out and recommendations made to improve controls • Participation in National Fraud Initiative (NFI) data matching exercise
Information Governance	<ul style="list-style-type: none"> • Information Governance Board in place. • Internal Audit carried out an annual assurance review of Information Governance resulting in 'Reasonable' audit opinion.
Project & Programme Management	<ul style="list-style-type: none"> • Audit review carried out on corporate arrangements for the management of projects and programmes. Corporate change governance framework not in place resulting 'Partial' audit opinion.
Human Resources	<ul style="list-style-type: none"> • Audit review carried out on corporate Human Resources arrangements covering policies and mandatory training ('Reasonable' audit opinion)
Health & Safety	<ul style="list-style-type: none"> • Detailed reporting of arrangements to Audit & Governance Committee in the year • Internal Audit carried out an annual assurance review. Recommendations made to improve arrangements over Corporate Health & Safety and Fire Safety Board attendance, Service Directorate Health & Safety and Fire Safety meetings and the legacy Christchurch area Cautionary Contact Register, resulting in 'Partial' audit opinion.
Business Planning & Performance Management	<ul style="list-style-type: none"> • Audit review carried out on corporate arrangements for business planning & performance management. New BCP Performance Management Framework requires approval and implementation resulting in 'Partial' audit opinion.
Management Assurance Statements	<ul style="list-style-type: none"> • Received from all Service Directors • Any potential significant issues raised were considered for inclusion on the Annual Governance Statement.

EXTERNAL SOURCES OF ASSURANCE

External Audit
External Reviews & Inspections
Regularity Bodies
Quality / Accreditation Schemes
External Benchmarking
Peer Reviews