

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Chief Internal Auditor's (CIA's) Annual Opinion Report 2020/21
Meeting date	29 July 2021
Status	Public Report
Executive summary	<p>It is the opinion of the Chief Internal Auditor that during the 2020/21 financial year:</p> <ul style="list-style-type: none"> • arrangements were in place to ensure an adequate and effective framework of governance, risk management and control (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". • Whilst the COVID19 pandemic had a significant impact on the work of Internal Audit a revised Audit Plan was approved by the Audit & Governance Committee in July 2020 which has been delivered and no 'limitation of scope' opinion needs to be issued.
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
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Wards	Council-wide
Classification	For Information

Background

1. The Chief Internal Auditor's Annual Report and Opinion for BCP Council was produced in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS), which requires the Head of Audit & 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 2020/21 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 framework of governance, risk management and control (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".

6. As was the case for most Council services the COVID 19 pandemic had a significant impact on the work of Internal Audit and the Audit Plan. During April and part of May 2020 the whole Internal Audit Team was re-purposed to distribute COVID 19 Grants to local businesses in line with Government allocations. Internal Audit's main role was to confirm eligibility and bank details to prevent fraud and error. As a result of this work an amended Audit Plan was agreed with the Audit & Governance Committee on 30 July 2020.
7. CIPFA 'Guidance to Internal Auditors and the Leadership Team and Audit Committee of Local Government Bodies' reflected on the impact of COVID 19 and the ability to undertake sufficient audit work to gain assurance during 2020/21 and to fulfil the PSIAS requirement for the Head of Internal Audit to issue an annual opinion on the control environment.
8. The guidance further stated that where sufficient assurance cannot be obtained then the Head of Internal Audit may need to consider issuing a 'limitation of scope' opinion. In this instance the Head of Internal Audit would need to inform the Audit & Governance committee of the extent of the limitation, the reasons for the limitation and any remedial actions required. Any limitations of scope would also need to be reported in the Annual Governance Statement.
9. Based on the high percentage of the revised 2020/21 audit plan completion, the targeting of high risks, streamlining of audit reports and utilising new ways of working the Chief Internal Auditor does not consider a 'limitation of scope' opinion needs to be issued.

Options Appraisal

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

Summary of financial implications

11. The total actual net cost, for the 2020/21 financial year, of the Internal Audit section was £695,147; compared against the budget of £693,800, this resulted in a small net overspend of £1,347. 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. This small net overspend was 'managed' across the Audit & Management Assurance Team by net underspends in other team budgets also managed by the Head of Audit & Management Assurance.

Summary of legal implications

12. 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

13. There were 13.42 full-time equivalent (FTE) Internal Audit staff members employed across the Council during 2020/21 inclusive of the Head of Audit & Management Assurance who manages several other teams and an Auditor who specialises in corporate fraud prevention, detection and investigation. 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

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

17. 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 2020/21
Including Annexe 1, 2 and 3

Chief Internal Auditor's Annual Report & Opinion 2020/21

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 2020 to 31 March 2021.
- 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 2020/21

- 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 2020/21, it is the opinion of the Chief Internal Auditor that:
 - a arrangements were in place to ensure an adequate and effective framework of governance, risk management and control (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 2020/21. 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'.

- 6 There was a significant impact on the commencement of the 2020/21 Internal Audit Plan due to requested corporate support on the fraud and error free distribution of COVID 19 Grants to local businesses during April and May 2020 in particular.
- 7 The Internal Audit Team spent 275 days in total on this unplanned activity and therefore amendment was required to the audit plan to ensure it was achievable. This was agreed with Audit & Governance Committee on 30 July 2020. It is worth noting that through careful audit plan restructuring only 135 days of 'core audit & assurance work' was reduced (1615 to 1480 days).
- 8 CIPFA issued guidance 'Guidance to Internal Auditors and the Leadership Team and Audit Committee of Local Government Bodies' in November 2020 regarding the impact of COVID 19 and the ability to undertake sufficient audit work to gain assurance during 2020/21 and to fulfil the PSIAS requirement for the Head of Internal Audit to issue an annual opinion on the control environment.
- 9 The guidance further stated that where sufficient assurance cannot be obtained then the Head of Internal Audit may need to issue a 'limitation of scope'. In this instance the Head of Internal Audit would need to inform the Audit & Governance committee of the extent of the limitation, the reasons for the limitation and any remedial actions required. Any limitations of scope would also need to be reported in the Annual Governance Statement.
- 10 It was reported to Audit & Governance Committee in January 2021 that a 'limitation of scope' was not expected to be issued. Based on further assurance work completed on the revised 2020/21 audit plan, the targeting of high risks, streamlining of audit reports and utilising new ways of working a 'limitation of scope' opinion has not needed to be issued.
- 11 It should be noted that this has also been made possible by Internal Audit staff having very low sickness absence levels (only 7 working days lost during the whole of 2020/21) and being flexible and pragmatic in working additional hours. This has resulted in some significant accumulated additional flexi and leave entitlement not taken during the year which has been carried forward to 2021/22. Careful management of this situation is and has taken place to minimise both the personal impact on individuals of not taking leave they are entitled to take and the medium term impact to the service of staff taking carried forward leave this year.

Basis of the Chief Internal Auditor's Opinion – A summary of work undertaken in 2020/21

Regularity Audit Work

- 12 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 2020/21 to provide the annual opinion was agreed by the Audit & Governance Committee.
- 13 The work has taken into account the strategies, objectives and risks of the Council as part of the audit planning process.
- 14 All Service directorates were audited during 2020/21 and a high percentage (87% - 72 out of 83 audits) of the audit plan was completed. This was slightly under the 90% target due to additional time spent on developing the audit process using new technology and also additional planning and organising the revised audit plan following the impact of COVID-19. While the overall opinion will always be a matter of professional judgement for the Chief Internal Auditor the amount and type of work and risk-based approach carried out on the audit plan was sufficient for this overall Chief Internal Auditor's opinion to be robustly evidenced. A list of all audits completed during 2020/21 is attached at Annexe 1.

- 15 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.

- 16 The list of 72 audits carried out during 2020/21 in Annexe 1 also details the assurance level given for each review. In summary, 5 'Substantial', 46 'Reasonable' and 10 'Partial' assurance level opinions were given during the year, additionally 7 consultancy reviews and 1 follow up review were carried out during 2020/21 (3 audits across 2020/21/22 are being finalised). There were no Minimal assurance opinions given for any of the audits. Whilst the 'Partial' opinion audits are reported during the 2020/21 quarterly reporting to Audit & Governance Committee it is good practice to summarise and state these again in this annual report, they were:

	Audit	High Priority recommendations to improve controls covering:
1	Adult Social Care – Crisis Payments	BCP crisis payments policy, authorisation of payments, application evidence, reconciliation of payments, documentation of screening checks, voucher records and management information.
2	Children's Services – High Needs Block	Supporting evidence for placement costs, status of actions on the High Needs Recovery Plan and links to the financial impact the actions will make on recovery of the financial deficit.
3	Children's Services – Tenancy Arrangements	Asset register accuracy, clarity over responsibility for managing assets, charging policy and rent reviews.
4	Communities – Health & Safety (including Fire Safety)	Nominated fire safety coordinators for all services, reporting fire safety issues, completeness of corporate fire risk assessment programme, clarity of local fire safety coordinators role, leased assets responsibilities, reporting to the Health & Safety & Fire Safety Board arrangements, and fire risk assessments actions.
5	Housing – Housing Rents	Former tenants debt management, authorisation of refunds and system access security.
6	Finance – Corporate Credit Cards	Process for ensuring transactions are reviewed and approved in a timely manner, necessity of some checks being carried out, and electronic receipting of supporting documentation.

	Audit	High Priority recommendations to improve controls covering:
7	Organisation Development – Policies & Training	HR\Payroll policies compliance role, mandatory training policy\completion\re-completion by staff, HR centralised record arrangements, I-Learn system notifications of new courses, and management reporting of mandatory training completion levels.
8	Growth & Infrastructure - Complaints, Compliments & FOI process	Performance management & reporting arrangements for both complaints and freedom of information requests.
9	Housing – Facilities Management	Corporate buildings H&S compliance policies, procedures and roles\responsibilities. Reporting to the Corporate Property Group. Annual maintenance plan. Roles and responsibilities for Service Directorate managed properties.
10	Corporate Safeguarding	Safeguarding training completed for all staff. Completeness of Disclosure & Barring Service (DBS) checks.

- 17 Regularity Audit work undertaken in 2020/21 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, Treasury Management, Social Services Financial Assessments, Council Tax and NDR systems as set out in Annexe 2.
- 18 The Council's Assurance Map set out at Annexe 3 has been populated to show Internal Audit coverage during 2020/21 over the significant risks facing the Council.
- 19 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.
- 20 For all audits finalised during the period April 2020 to March 2021, a total of 360 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 81%.
- 21 Outstanding actions in response to all recommendations have been noted; these have been subject to pragmatic revisions to previously agreed dates, on a risk basis, mainly to take account of service restructures and COVID 19. It has therefore not been necessary to instigate the audit recommendation escalation policy agreed with the Audit & Governance Committee.
- 22 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 average auditee satisfaction score for 2020/21 of 85% exceeded the target of 75%, illustrating a high level of satisfaction with the way in which audits are conducted.

Counter Fraud Work

- 23 Counter Fraud work was undertaken during 2020/21 to further improve the Council's arrangements for combating fraud & corruption. This work included targeting fraud risk areas such as employee claims, procurement cards, declarations of interests, planning applications and crisis payments.

- 24 Proactive counter fraud work is carried out including obtaining information on frauds that have occurred in other local authorities through sources such as the National Anti-Fraud Network (NAFN). This information is assessed for risk exposure within our organisation and assurances sought that existing controls would prevent the fraud occurring (e.g. bank mandate attempted fraud).
- 25 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.
- 26 Proportionate investigations were undertaken during the year in response to every identified or suspected case of financial irregularity.
- 27 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 will be presented to the October 2021 Audit & Governance Committee meeting.

Risk Management Framework

- 28 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 & Governance Committee receive, on a quarterly basis, an update on the Council's corporate risk register.

Governance Work

- 29 Internal Audit completed a review of governance arrangements in place between the Council and Poole Housing Partnership (PHP), the Council's wholly owned Arms-Length Management Organisation (ALMO), in respect of Sterte Court cladding works. Several recommendations were made to improve internal control and governance arrangements.
- 30 A BCP Local Code of Governance was in place from 1 April 2020. An update to the Local Code is being taken to this Committee meeting as part of the Annual Governance Statement report.
- 31 Progress made against actions arising from the 2019/20 Annual Governance Statement (AGS) has been reviewed and presented to the Audit & Governance Committee.
- 32 Work has been undertaken to compile the 2020/21 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.

Other Work

- 33 A significant amount of post-payment assurance work was carried out on COVID19 grants as required by government guidance.
- 34 A total of 2,919 individual business claims for business grants were verified by Internal Audit through data matching and analysis of provided business bank statements. These claims were subsequently paid and totalled £28,510,000. The review process identified approximately 20 potentially fraudulent claims and 100 cases where incorrect bank details for the business were supplied (either personal accounts or inaccurate details). Consequently, Internal Audit have, conservatively, prevented fraud or error totalling about £1,500,000, although this figure could be as high as £2,500,000.
- 35 Government tools such as Spotlight (for checking business trading status) and the NFI's bank account checking tool have also been used for the following grants to provide a level of assurance prior to payment:

- Discretionary Grants (865 applications) – 6 bank account sort codes corrected, 1 grant refused.
- Additional Restrictions Grants - Stream 2 (288 applications) – (6 high priority and 75 medium priority) queries raised. No issues identified, some high priority cases had already been rejected due to not meeting eligibility criteria.
- Additional Restrictions Grants - Stream 3 (903 applications) – (22 high priority and 541 medium priority) queries raised. No issues identified, some high priority cases had already been rejected due to not meeting eligibility criteria.
- Restart Grants (3679 applications) – (29 high priority and 437 medium priority) queries passed for further investigation by management prior to payment. As a result 6 grant applications were not processed.

36 A significant amount of post assurance work on applications was also carried out including the using the government promoted tools and a separate data matching exercise organised by the NFI.

NFI Bank Account and Trading Status Checker

- Business Grants (6523 applications) – 325 initial queries on trading status and bank account resolved.

Spotlight

- Local Restrictions Support Grant (1798) – no areas of concern identified.

NFI Exercise

- Business Grants and Discretionary Grants (7388 payments) – 75 initial queries, 62 resolved, 13 still being reviewed by SVPP. Some issues regarding eligibility of Small Business Rates Relief identified.

37 Internal Audit have supported management with the recovery of 3 business grants (total value £30k) and are assisting the National Investigation Service (NATIS) with the investigation of a £25k business grant. A total of 17 'Restart Grants' were refused following due diligence checks and use of intelligence received from the National Anti-Fraud Network (NAFN). In addition, 1 restart grant was refused due to not being current tenant and referred to NATIS.

38 To meet grant conditions, Internal Audit carried out appropriate checks on relevant capital funding (including local transport capital block and national productivity investment fund) received from the Department for Transport DfT, prior to sign off by the Chief Executive and Chief Internal Auditor. In all cases, the grants conditions appeared to have been complied with and returns successfully sent to the DfT.

39 Assurance has also been provided on Aspire (European grant) and Troubled Families (government grant) funding.

40 Internal Audit carried out internal audits of the Charter Trustees of Bournemouth and the Charter Trustees of Poole as requested to support their Annual Governance and Accountability Returns (AGAR). This was a fee chargeable service.

41 Assurance on funds allocated to nurseries and pre-schools was also provided during the year.

Compliance with Professional Standards

42 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.

- 43 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.
- 44 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 and CIPFA were the preferred provider. CIPFA have recently carried out a validation of our self-assessment and their draft conclusion is that the BCP Internal Audit Team conforms with the PSIAS. Some recommendations and suggestions have been made to further improve compliance arrangements and an action plan to address these will be brought back to the Audit & Governance Committee in October 2021.
- 45 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.
- 46 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

- 47 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	2020/21 Audits Completed
Annexe 2	Key Financial System Audit Opinions
Annexe 3	Internal Audit Assurance Map 2020/21

Annexe 1: 2020/21 Audits Completed

	Service Area	Audit	Assurance Opinion
	SERVICE UNIT AUDITS		
1	Adult Social Care	Shared Lives	Reasonable
2	Adult Social Care	Lone Working Arrangements	Consultancy
3	Adult Social Care	Emergency Duty Service (Out of Hours)	Reasonable
4	Adult Social Care	Business Continuity	Reasonable
5	Adult Social Care	Financial Management	Reasonable
6	ASC Commissioning	Performance Monitoring (19/20/21)	Reasonable
7	ASC Commissioning	Managed Service Provision of Agency Staffing	Reasonable
8	Public Health	Contained Outbreak Management Fund	Reasonable
9	Children's Social Care	Youth Offending Services	Reasonable
10	Children's Social Care	Multi Agency Safeguarding Hub	Reasonable
11	Children's Services	High Needs Block	Partial
12	Children's Services	School Transport	Reasonable
13	Children's Services	Local Authority Designated Officer	Reasonable
14	Children's Services	Early Education Funding	Reasonable
15	Children's Services	Tenancy Arrangements	Partial
16	Children's Services	ICT Systems Applications (19/20/21)	Reasonable
17	Growth & Infrastructure	Complaints, Compliments & FOI process	Partial
18	Growth & Infrastructure	Concessionary Travel Passes	Reasonable
19	Development	Project Management High Level Review	Consultancy
20	Development	Smart Places	Consultancy
21	Destination & Culture	Seafront Income	Substantial
22	Destination & Culture	Beach Huts	Reasonable
23	Destination & Culture	Two Riversmeet (Income Collection)	Reasonable
24	Destination & Culture	Donations	Consultancy
25	Environment	Climate Emergency Programme	Reasonable
26	Environment	Future Parks Accelerator Project	Reasonable
27	Environment	Waste & Recycling Centres Cash Income	Reasonable
28	Environment	Fleet Management	Reasonable
29	Housing	Telecare Services	Reasonable
30	Housing	Housing - Wholly-Owned Companies Governance Follow-Up	Follow Up
31	Communities	Environmental Heath (Food Safety)	Reasonable
32	Finance	Cash Contract	Reasonable
33	Finance	Corporate Credit Cards	Partial

	Service Area	Audit	Assurance Opinion
34	Finance	Insurance	Reasonable
35	Law & Governance	Lone Working Arrangements	Reasonable
36	IT & IS	Modern Workspace	Consultancy
37	Organisational Development	Equality & Diversity Action Plan	Substantial
	KEY ASSURANCE FUNCTION AUDITS		
38	Development	Asset Management	Reasonable
39	Housing	Facilities Management	Partial
40	Finance	Business Continuity	Reasonable
41	Organisation Development	Business Planning & Performance Management	Substantial
42	Finance	Financial Management	Reasonable
43	Communities	Health & Safety (including Fire Safety)	Partial
44	Organisational Development	Human Resources Policies & Training	Partial
45	IT & IS	ICT Policies	Substantial
46	Law & Governance	Information Governance	Consultancy
47	Finance	Procurement	Reasonable
48	Organisation Development	Programme/ Project Management	Reasonable
49	Finance	Risk Management	Reasonable
50	Finance	External Arrangements	Consultancy
51	Corporate	Safeguarding	Partial
	KEY FINANCIAL SYSTEMS AUDITS		
52	Finance\SVPP	Council Tax	Reasonable
53	Finance\SVPP	Non-Domestic Rates	Reasonable
54	Finance	Debtors	Reasonable
55	SVPP	Debtors	Reasonable
56	SVPP	Social Care Financial Assessments	Reasonable
57	Finance	Creditors	Reasonable
58	Finance	Payroll	Reasonable
59	Finance	Treasury Management	Substantial
60	Housing & Communities	Housing Rents	Partial
	SCHOOL AUDITS		
61	Children's Services	Linwood	Reasonable
62	Children's Services	Christchurch Infant School	Reasonable
63	Children's Services	Mudeford Junior School	Reasonable
64	Children's Services	Mudeford Community Infants School	Reasonable
	COUNTER FRAUD AUDITS		
65	All service areas	Employee Claims	Reasonable
66	All service areas	Procurement Cards	Reasonable
67	All service areas	Declarations of Interests	Reasonable
68	Growth & Infrastructure	Planning Applications	Reasonable
69	Adult Social Care	Crisis Payments	Partial

Audits Carried Out Across 2020/21/22 - Completed			
	Service Area	Audit	Status
70	Law & Governance	Marriages & Civil Ceremonies	Final Report issued
71	Growth & Infrastructure	Community Infrastructure Levy	Final Report being issued
72	Children's Services	Mosaic Payments	Draft Report issued
Audits Carried Out Across 2020/21/22 – In progress			
	Service Area	Audit	Status
73	ASC Commissioning	Infection Control Grant	Fieldwork
Audits Deferred For Consideration In 2021/22			
	Service Area	Audit	Comment/ rationale
74	Adult Social Care	Adult Safeguarding	Requested deferral by ASC Corporate Director due to COVID pressures and planned external review.
75	Adult Social Care	ICT - Key Assurance Function	Requested deferral by ASC Corporate Director due to pressures of moving children's system data.
76	ASC Commissioning	Joint Funding to support hospital discharge	Requested deferral by ASC Corporate Director due to COVID pressures and changing landscape.
77	Growth & Infrastructure	Capital Programme & Project Management	Delayed until 2021/22 due to pending establishment of regeneration board.
78	Finance\SVPP	Housing Benefits	Delayed until 2021/22 due to service staff pressures from COVID grant work (reliance placed on previous 'Substantial' audit opinion).
79	Finance\SVPP	Cashiering Services	Delayed until 2021/22 due to limited audit resource and reliance placed on previous 'Substantial' audit opinion).
80	Finance\SVPP	Financial Assessments	Delayed until 2021/22 due to proposed service changes (reliance placed on previous 'Reasonable' audit opinion).
81	Children's Services	St Katherines	Delayed until 2021/22 due to COVID pressures on the school
82	Children's Services	Christchurch Learning Centre	Delayed until 2021/22 due to COVID pressures on the school
83	Housing	Housing Tenancy Data-matching	Requested deferral by Housing Director due to COVID pressures.

Annexe 2: Key Financial Systems Opinions

Assignment Title	Service Area	2020/21 Opinion	2019/20 Opinion	2018/19 Opinion
Council Tax	Finance\SVPP	Reasonable	Reasonable	Reasonable
NDR	Finance\SVPP	Reasonable	Reasonable	Substantial
Housing Benefits	Finance\SVPP	Not reviewed	Substantial	Reasonable
Debtors	Finance	Reasonable	Reasonable	Reasonable
Debtors	SVPP	Reasonable	2019/20/21 Audit	Reasonable
Main Accounting	Finance	Reasonable	Reasonable	Reasonable
Creditors	Finance	Reasonable	Reasonable	Partial
Payroll	Finance	Reasonable	Reasonable	Reasonable
Treasury Management	Finance	Substantial	Reasonable	Substantial
Housing Rents	Housing	Partial*	Reasonable	Reasonable
Cashiering Services	Finance\SVPP	Not reviewed	Substantial	Reasonable
Social Services Financial Assessments	Adult Social Care	Reasonable	c/fwd to 20/21	-
Social Services Financial Assessments	SVPP	Not reviewed	Reasonable	Reasonable

Notes

*Housing Rents - Recommendations were made to improve controls over former tenant debt management, refunds & system access.

Annexe 3

BCP Internal Audit Assurance Map 2020/21

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	Internal Audit Assurance Work
Internal Audit	<ul style="list-style-type: none"> All Service Directorates audited during 2020-21 72 out of 83 Audits completed (see Annexe 1 for list of audits) 5 Substantial, 46 Reasonable and 10 Partial Assurance Level opinions were given during the year (7 consultancy/1 follow up/3 audits across 2020/21/22 being finalised) There were no Minimal assurance opinions.
Counter Fraud	<ul style="list-style-type: none"> Audit assignments carried out during 2020/21 have considered the risk of fraud Corporate Fraud Officer has provided support to service directorates 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.
Asset Management	<ul style="list-style-type: none"> Internal Audit carried out an annual assurance review on Asset Management ('Reasonable' audit opinion).
Asset Management (Facilities Management)	<ul style="list-style-type: none"> Internal Audit carried out an annual assurance review on Asset Management. High Priority Recommendations were made to improve arrangements over corporate buildings health & safety policies/procedures, Corporate Property Group reporting, and roles & responsibilities for Service Directorate managed properties resulting in a 'Partial' 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 and Emergency Planning & Business Continuity Governance Framework are in place Internal Audit carried out an annual assurance review on Business Continuity ('Reasonable' audit opinion) Services have reacted as necessary to mitigate the impact of the COVID-19 pandemic.
Business Planning & Performance Management	<ul style="list-style-type: none"> Internal Audit carried out an annual assurance review on Business Continuity ('Substantial' audit opinion).
External Arrangements (Partnerships)	<ul style="list-style-type: none"> Internal Audit carried out a consultancy review on Business Continuity. A draft partnership register, definition and guidance for services has been produced.

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	Internal Audit Assurance Work
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)
Health & Safety (including Fire Safety)	<ul style="list-style-type: none"> Reporting of arrangements to Audit & Governance Committee took place in the year Internal Audit carried out an annual assurance review. Recommendations were made to improve arrangements over service directorate fire safety coordinators, fire safety reporting arrangements, the fire risk assessment programme and Health & Safety Board attendance resulting in '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. Recommendations were made to improve arrangements over HR\Payroll policies compliance role, mandatory training policy and completion by staff resulting in a 'Partial' audit opinion
Information Communication Technology	<ul style="list-style-type: none"> Internal Audit carried out an annual assurance review on ICT Policies ('Substantial' audit opinion)
Information Governance	<ul style="list-style-type: none"> Information Governance Board in place and regular meetings occurring Internal Audit carried out a consultancy review of Information Governance resulting in agreed revised dates for previous audit recommendations
Procurement	<ul style="list-style-type: none"> Internal Audit review of Procurement carried out across 2019/20/21 ('Reasonable' audit opinion) See separate Annual Report on Breaches and Waivers reported to this committee
Project & Programme Management	<ul style="list-style-type: none"> Transformation & Capital Investment Governance Framework in place and Capital & Transformation Board Internal Audit carried out an annual assurance review on Project & Programme Management ('Reasonable' audit opinion)
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)

INTERNAL SOURCES OF ASSURANCE	
Source of Assurance	Internal Audit Assurance Work
Safeguarding	<ul style="list-style-type: none"> Internal Audit carried out the first assurance review on corporate safeguarding arrangements. High Priority Recommendations were made to improve arrangements over safeguarding training for all staff and completeness of Disclosure & Barring Service (DBS) checks resulting in a '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	Quality / Accreditation Schemes
External Reviews & Inspections	External Benchmarking
Regularity Bodies	Peer Reviews