



<u>Committee and Date</u>	<u>Item</u>
Audit Committee	
25 February 2019	
1:30pm	<u>Public</u>

## INTERNAL AUDIT PERFORMANCE AND REVISED ANNUAL AUDIT PLAN 2018/19

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### 1. Summary

This report provides members with an update of work undertaken by Internal Audit in the three months since the previous Audit Committee report. Seventy seven percent of the revised plan has been completed (**see Appendix A, Table 1**), which is slightly below previous delivery records. However, the team is on target to achieve 90% delivery by the year end.

Four good, 11 reasonable, three limited and two unsatisfactory assurance opinions have been issued since the last report. The 20 final reports contained 130 recommendations, one of which was fundamental.

This report proposes further revisions reducing the overall audit plan from 1,773 days, as reported in December 2018, to 1,710 days. Changes to the planned activity reflect adjustments in risks, increased pressures following more complex and sensitive reviews, a continuing reduction in available resources due to recruitment and trainee mentoring. At this stage, the potential impact on the Head of Audit's opinion is unknown. The changes have been discussed with, and agreed by, the Section 151 Officer.

Internal Audit continues to add value to the Council in the delivery of bespoke pieces of work including sharing best practice and providing advice on system developments.

### 2. Recommendations

The Committee are asked to consider and endorse, with appropriate comment;

- a) The performance to date against the 2018/19 Audit Plan set out in this report and any action it wishes to take in response to any low assurance levels and the residual control environment, delivery against the fundamental recommendation and where a recommendation has been rejected.
- b) The adjustments required to the 2018/19 plan to take account of changing priorities set out in **Appendix B**.

## **REPORT**

### **3. Risk assessment and opportunities appraisal**

- 3.1 The delivery of a risk based Internal Audit Plan is essential to ensuring the probity and soundness of the Council's control, financial, risk management systems and governance procedures. Areas to be audited are identified following a risk assessment process which considers the Council's risk register information and involves discussions with managers concerning their key risks. These are refreshed throughout the period of the plan as the environment changes. In delivering the Plan, the adequacy of control environments is examined, evaluated and reported on independently and objectively by Internal Audit. This contributes to the proper, economic, efficient and effective use of resources. It provides assurances on the internal control systems, by identifying potential weaknesses and areas for improvement, and engaging with management to address these in respect of current systems and during system design. Without this, failure to maintain robust internal control, risk and governance procedures creates an environment where poor performance, fraud, irregularity and inefficiency can go undetected, leading to financial loss and reputational damage.
- 3.2 Provision of the Internal Audit Annual Plan satisfies the Accounts and Audit Regulations 2015, part 2, section 5(1) in relation to internal audit. These state that:
- 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 3.3 'Proper practices' can be demonstrated through compliance with the Public Sector Internal Audit Standards (PSIAS).
- 3.4 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and there are no direct environmental, equalities or climate change consequences of this proposal.

### **4. Financial implications**

- 4.1 The Internal Audit plan is delivered within approved budgets. The work of Internal Audit contributes to improving the efficiency, effectiveness and economic management of the wider Council and its associated budgets.

### **5. Background**

- 5.1 Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. Internal Audit reviews, appraises and reports on the efficiency, effectiveness and economy of financial, governance, risk and other management controls. The Audit Committee is the governing body charged with monitoring progress on the work of Internal Audit.
- 5.2 The 2018/19 Internal Audit Plan was presented to, and approved by, members at the 1<sup>st</sup> March 2018 Audit Committee, with adjustments being approved in September and December 2018. This report provides an update on progress made against the plan up

to 31<sup>st</sup> January 2019 and includes revisions to the plan to reflect the ongoing reduction in resources, a total of 564 days to date (2.16 FTE<sup>1</sup>).

5.3 Part of the internal audit plan will be delivered by external providers.

### **Performance against the plan 2018/19**

5.4 Revisions to the 2018/19 plan provide for a total of 1,710 days reflecting delays in recruitment and an extended period of maternity leave. Performance to date is marginally lower than previous delivery records at 77% (83% 2017/18), however, overall the team is on track to deliver a minimum of 90% of the revised annual plan by year end.

5.5 Resourcing problems have continued to be experienced:

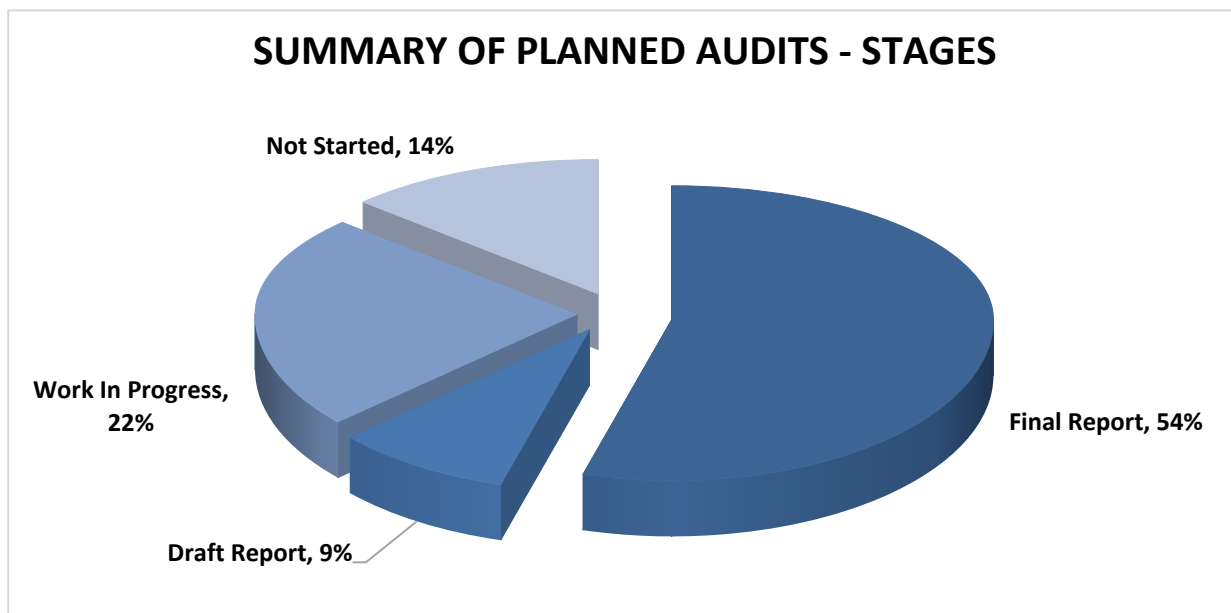
- In respect of chargeable time not allocated to the plan; Additional time has been required for compulsory corporate training including the latest Corporate Induction and IT literacy courses; The Principal IT Auditor has taken up a role chairing a sub group for the Midlands Heads of Internal Audit Group; and increased calls to the Whistleblowing hotline have required increased activity and support. MKInsight, the Audit Management software tool has undergone some development to provide better management reporting and the team has designed and launched a new look audit report.
- Non- chargeable time has seen an increase in general administration completing recruitment processes and forms has increased in line with the recruitment of six staff; Time has been spent ensuring connection to the Network for both laptops and mobile telephones for the whole team and in sourcing equipment when faulty and for new recruits; Increased team members at a junior level have required greater coaching, training and management, not only increasing non-chargeable time for the trainees, but also for the qualified auditors working as trainers alongside them; Staff have requested and been entitled to increased levels of special leave; The external contractor was due to complete all work by the beginning of December, there are still some audits outstanding / not started that have impacted on administration, management and audit delivery.
- In terms of the plan, increased demand has been met for advice on specialist projects, software and systems changes; Work on the digital transformation programme (DTP) continues with input to the assurance group and changes have been made to the audit approach as digital projects progress to ensure the flexibility of approach matches the business need; There has been a need to take several areas out of the audit plan to reconcile resources, the majority of which will be built into the 2019/20 plan where risk demands; A number of reviews have also been built into the plan to allow trainees adequate coverage for learning and additional time has been required to discuss and finalise some of the more contentious areas reviewed.

Overall planned changes to the available resources and plan should not affect the overall coverage required of the plan if delivery can be sustained to the year end.

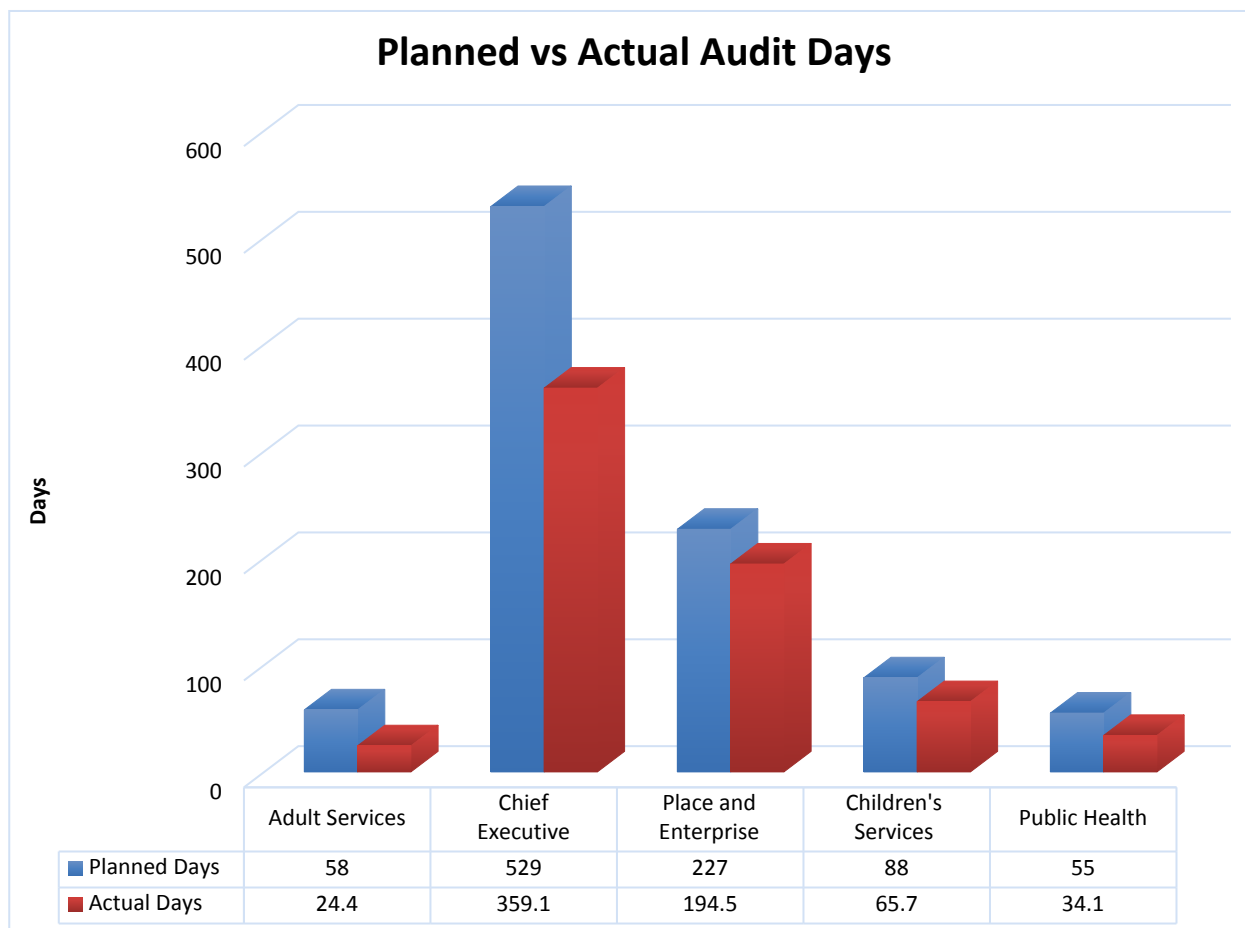
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<sup>1</sup> Full time equivalent

5.6 In total, 20 final reports have been issued in the period from 12<sup>th</sup> November 2018 to 31<sup>st</sup> January 2019. The following chart shows performance against the approved Internal Audit Plan for 2018/19:



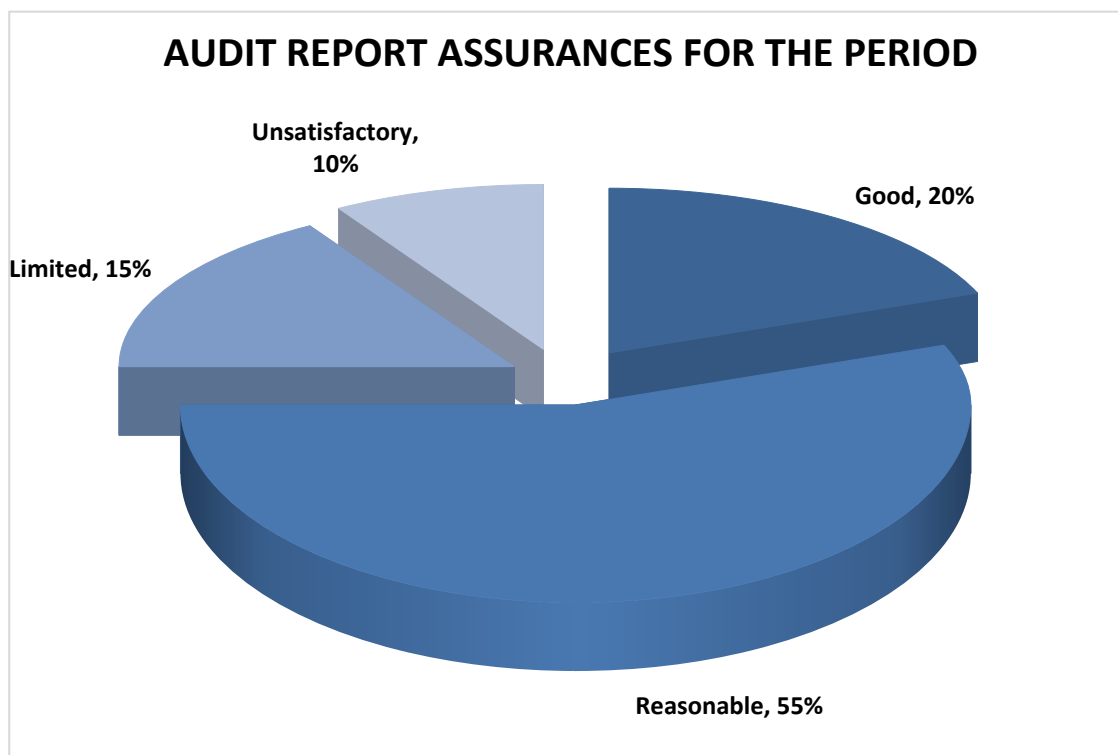
5.7 Audits have been completed over several service areas as planned:



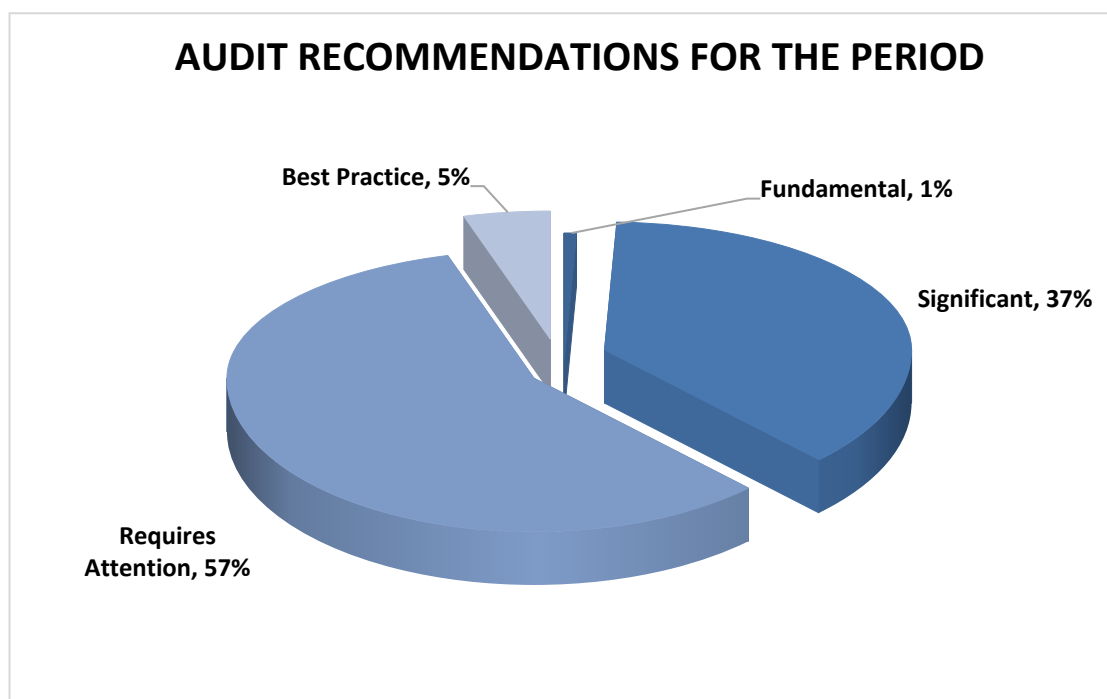
5.8 The following audits have been completed since the 11<sup>th</sup> November 2018:

- Perthyn Contract for Supported Living
- Commercial Strategy and Plans
- Highways Permits
- Primary School Income Collection
- Secondary School Income Collection
- Transport Operations Group
- Strengthening Families Grant - July Claim
- Strengthening Families Grant – October Claim
- Strengthening Families Grant - December Claim
- Risk Management
- VAT
- Customer First Points (IT)
- ICT Governance / Approvals
- ICT Procurement / Contracts Manager
- Internet Security Follow up
- IT Change Management
- Ivanti Service Desk IT application
- System Centre Configuration Manager (SCCM) for network security
- Wireless Networking
- Theatre Severn Chip and Pin Machines

5.9 The assurance levels awarded to each completed audit area appear in the graph below:



5.10 The overall spread of recommendations agreed with management following each audit review are as follows:



- 5.11 Up to the 31<sup>st</sup> January 2019, 15 reports have been issued, providing good or reasonable assurances, accounting for 75% of the opinions delivered. This represents an increase in the higher levels of assurance for this period, compared to the previous year outturn of 64%. This is offset by a corresponding decrease in limited and unsatisfactory assurances, 25% for the period compared to the previous year outturn of 36%.
- 5.12 Comparisons between years are currently difficult given the reduction in the number of audits completed this year, 63% (20 in this period 2018/19; 30 in 2019/20), when compared to the same time last year.
- 5.13 Control objectives evaluated and not found to be in place as part of these audit reviews appear in a summary of the planned audit reviews which resulted in limited and unsatisfactory assurances in **Appendix A, Table 3**. The appendix also includes descriptions of the levels of assurance used in assessing the control environment and the classification of recommendations, **Tables 4 and 5** and provides a glossary of common terms, **Table 6**.
- 5.14 Eight draft reports, awaiting management responses, will be included in the next quarter results. Work has also been completed for external clients in addition to the drafting and auditing of financial statements in respect of several honorary funds and the certification of grant claims.
- 5.15 A total of 130 recommendations have been made in the 19 final audit reports issued in the period 12<sup>th</sup> November 2018 to 31<sup>st</sup> January 2019; these are broken down by audit area and appear in **Appendix A, Table 7**.
- 5.16 A fundamental recommendation has been identified in relation to the Commercial Strategy and Plans audit which is detailed below:

## Recommendation

To ensure that the Commercial Strategies goals and objectives to increase income from investment are clear and given the following:

- the recent review undertaken by Risk and the addition of the new strategic risk which is the failure to deliver the Commercial Strategy and the Council being unable to meet the corporate outcomes;
- lack of an investment fund to help deliver the £10m to £15m of additional revenue;
- revision of the target to deliver a minimum of £5m of new revenue income by the 31.03.2020 down to £2m.

A full review of the Commercial Strategy should be undertaken. This review should ensure that targets are achievable, up to date and that the Strategy fully supports the corporate outcomes and the Financial Strategy's aims and objectives. Any changes to the Strategy should be approved by Cabinet.

## Management Response

A full review of the commercial strategy will be undertaken to reflect changes in corporate outcomes, the revisions to the financial strategy and the proposed budget for 2019/20 when approved in February 2019. Targets will be revised accordingly. The refresh of the commercial strategy will be presented to Cabinet prior to the start of financial year 2019/20.

## Agreed implementation date

March 2019

- 5.17 It is management's responsibility to ensure accepted audit recommendations are implemented within an agreed timescale. **Appendix A, Table 8 sets out the approach adopted to following up recommendations** highlighting Audit Committees involvement.
- 5.18 No recommendations have been rejected by management. Due to staff changes at senior level, consideration of the Theatre Severn's management responses to the Chip and PIN review are explored in the exempt part of the agenda.

Audit Committee are asked to advise what action they wish to follow in relation to the residual control environment with the managers of these areas?

- 5.19 The following demonstrates areas where Audit have added value with unplanned, project or advisory work, not included in the original plan located at **Appendix A, Table 1**.
- Advice to teams looking to change their procedures following increased home working and the introduction of environment days.
  - There have been several new software changes the timing of which were unknown when the audit plan was initiated. The IT Principal Auditor alongside other Auditors has provided advice and guidance on the governance of projects and introduction of internal controls for the following areas:
    - Hosting advice on the BACS<sup>2</sup> replacement system;
    - Education's ONE Procurement system controls;

<sup>2</sup> BACS. This is an electronic system to make payments directly from one bank account to another. They're mainly used for Direct Debits and direct credits from organisations.

- Increased advice and support on the ICT Governance Approvals Board;
- Security in relation to the usage of WhatsApp;
- Controc SAMIS Interface;
- Recruitment to the Data Protection Officer post, and
- Authorisation advice on the Property Services Group TechForge system.
- Several projects have been built into the plan to enable a new Auditor to learn and apply the skill sets required. This has included a review of User Access Controls.
- Advice has been provided to schools regarding potential fraudulent payments, imprest and purchase ledger controls; and school fund closure processes
- Anti-Money Laundering training has been devised and provided both face to face in a few targeted sessions to key officers and electronically to raise awareness to a wider audience.
- Several whistle-blower calls have required referring to the correct service area to address callers' concerns, where these are not fraudulent or of concern to Audit.
- Controls in respect of returning residents cash to next of kin have been considered and advised on to ensure due diligence is completed prior to any payments or redirection of funds.

## Direction of travel

- 5.20 This section compares the assurance levels (where given), and categorisation of recommendations made, to demonstrate the direction of travel in relation to the control environment.

### Comparison of Assurance Levels (where given)

Assurances	Good	Reasonable	Limited	Unsatisfactory	Total
<b>2018/19 to date</b>	<b>20%</b>	<b>48%</b>	<b>26%</b>	<b>6%</b>	<b>100%</b>
<b>2017/18</b>	<b>20%</b>	<b>44%</b>	<b>29%</b>	<b>7%</b>	<b>100%</b>
<b>2016/17</b>	<b>7%</b>	<b>45%</b>	<b>31%</b>	<b>17%</b>	<b>100%</b>
<b>2015/16</b>	<b>14%</b>	<b>35%</b>	<b>42%</b>	<b>9%</b>	<b>100%</b>
<b>2014/15</b>	<b>17%</b>	<b>47%</b>	<b>28%</b>	<b>8%</b>	<b>100%</b>
<b>2013/14</b>	<b>30%</b>	<b>45%</b>	<b>15%</b>	<b>10%</b>	<b>100%</b>
<b>2012/13</b>	<b>31%</b>	<b>56%</b>	<b>12%</b>	<b>1%</b>	<b>100%</b>

### Comparison of recommendation by categorisation

Categorisation	Best practice	Requires attention	Significant	Fundamental	Total
<b>2018/19 to date</b>	<b>3%</b>	<b>62%</b>	<b>35%</b>	<b>0%</b>	<b>100%</b>
<b>2017/18</b>	<b>3%</b>	<b>56%</b>	<b>41%</b>	<b>0%</b>	<b>100%</b>
<b>2016/17</b>	<b>4%</b>	<b>50%</b>	<b>46%</b>	<b>0%</b>	<b>100%</b>
<b>2015/16</b>	<b>4%</b>	<b>54%</b>	<b>42%</b>	<b>0%</b>	<b>100%</b>
<b>2014/15</b>	<b>6%</b>	<b>53%</b>	<b>40%</b>	<b>1%</b>	<b>100%</b>
<b>2013/14</b>	<b>15%</b>	<b>57%</b>	<b>27%</b>	<b>1%</b>	<b>100%</b>
<b>2012/13</b>	<b>23%</b>	<b>57%</b>	<b>20%</b>	<b>0%</b>	<b>100%</b>

- 5.21 The number of lower level assurances 32%, at this point in the year, slightly lower than the outturn for 2017/18 of 36%. **Appendix A, Table 3**, shows a full list of areas that have attracted limited and unsatisfactory assurances in the period. This does not currently demonstrate any one area of concern however, members should note that



only a proportion of the plan has been completed to date and the main financial and governance areas are yet to be completed.

### Performance measures

- 5.22 All Internal Audit work has been completed in accordance with the agreed plan and the outcomes of final reports have been reported to the Audit Committee.

#### **List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Draft Internal Audit Risk Based Plan 2018/19 - Audit Committee 1<sup>st</sup> March 2018  
 Internal Audit Performance and Revised Annual Audit Plan 2018/19 – Audit Committee 4<sup>th</sup> September 2018  
 Internal Audit Performance and Revised Annual Audit Plan 2018/19 – Audit Committee 6<sup>th</sup> December 2018  
 Public Sector Internal Audit Standards (PSIAS)  
 Audit Management system  
 Accounts and Audit Regulations 2017

#### **Cabinet Member (Portfolio Holder)**

Peter Nutting, Leader of the Council and Peter Adams, Chairman of Audit Committee

#### **Local Member: All**

#### **Appendices**

##### **Appendix A**

Table 1: Summary of actual audit days delivered against plan 12<sup>th</sup> November 2018 to 31<sup>st</sup> January 2019  
 Table 2: Final audit report assurance opinions issued in the period 12<sup>th</sup> November 2018 to 31<sup>st</sup> January 2019  
 Table 3: Unsatisfactory and limited assurance opinions in the period 12<sup>th</sup> November 2018 to 31<sup>st</sup> January 2019  
 Table 4: Audit assurance opinions  
 Table 5: Audit recommendation categories  
 Table 6: Glossary of terms  
 Table 7: Audit recommendations made in the period 12<sup>th</sup> November 2018 to 31<sup>st</sup> January 2019  
 Table 8: Recommendation follow up process (risk based)

##### **Appendix B - Audit plan by service 12<sup>th</sup> November 2018 to 31<sup>st</sup> January 2019**

**APPENDIX A****Table 1: Summary of actual audit days delivered and revisions to the audit plan in the period from 12th November 2018 to 31st January 2019**

	Original Plan	Revised Plan	31 Jan. 2019 Actual	% of Original Complete	% of Revised Complete
Chief Executive	707	529	359.1	51%	68%
Finance, Governance and Assurance	392	264	172.0	44%	65%
Governance	30	20	9.6	32%	48%
Workforce and Transformation	257	209	165.0	64%	79%
Legal and Democratic	28	36	12.5	45%	35%
Adult Services	172	58	24.4	14%	42%
Place and Enterprise	342	227	194.5	57%	86%
Children's Services	173	88	65.7	38%	75%
Public Health	70	55	34.1	49%	62%
<b>S151 Planned Audit</b>	<b>1,464</b>	<b>957</b>	<b>677.8</b>	<b>46%</b>	<b>71%</b>
Contingencies and other chargeable work	566	524	471.2	83%	90%
<b>Total S151 Audit</b>	<b>2,030</b>	<b>1,481</b>	<b>1,149.0</b>	<b>57%</b>	<b>78%</b>
External Clients	226	229	169.0	75%	74%
<b>Total</b>	<b>2,256</b>	<b>1,710</b>	<b>1,318.0</b>	<b>58%</b>	<b>77%</b>

Please note that a full breakdown of days by service area is shown at **Appendix B**

**Table 2: Final audit report assurance opinions issued in the period from 12th November 2018 to 31st January 2019**

Service area	Good	Reasonable	Limited	Unsatisfactory	Total
Chief Executive	3	6	1	0	10
Finance, Governance and Assurance	1	1	0	0	2
Governance	0	0	0	0	0
Workforce and Transformation	2	5	1	0	8
Legal and Democratic	0	0	0	0	0
Adult Services	0	0	1	0	1
Place and Enterprise	0	3	1	2	6
Children's Services	1	2	0	0	3
Children's Services: Schools	0	0	0	0	0
Children's Services: Others	1	2	0	0	3
Public Health	0	0	0	0	0
<b>Total for period</b>	<b>4</b>	<b>11</b>	<b>3</b>	<b>2</b>	<b>20</b>

Service area	Good	Reasonable	Limited	Unsatisfactory	Total
➤ Numbers					
➤ Percentage	20%	55%	15%	10%	100%
Percentage 2018/19 to date	20%	49%	27%	4%	100%
Percentage 2017/18	20%	44%	29%	7%	100%
Percentage 2016/17	7%	45%	31%	17%	100%
Percentage 2015/16	14%	35%	42%	9%	100%
Percentage 2014/15	17%	47%	28%	8%	100%
Percentage 2013/14	30%	45%	15%	10%	100%
Percentage 2012/13	31%	56%	12%	1%	100%

**Table 3: Unsatisfactory and limited assurance opinions issued in the period from 13th August to 11th November 12th November 2018 to 31st January 2019<sup>3</sup>**

### Unsatisfactory assurance

#### **Place and Enterprise: Commercial Strategy and Plans**

- An appropriate governance structure is in place.
- Risks are identified and addressed.
- Commercial projects are generating a financial return for the Council.
- Performance reports are produced and disseminated appropriately.

#### **Place and Enterprise: Theatre Severn Chip and Pin Machines**

- Procurement of the chip and PIN terminals were made in line with the Council's Financial Rules, Contract Procedure Rules and the ICT Systems and Software Procurement Process.
- Implications of entering into an agreement with the contractor were evaluated and in line with the Council's ongoing Digital Transformation Programme and the Enterprise Resource Planning (ERP) Project.

### Limited assurance

#### **Head of Workforce and Transformation: Internet Security Follow Up (Reasonable 2017/18)**

- To ensure that the recommendations made in the 2017/18 audit have been implemented as per the original management responses in relation to the following areas:
  - a) An appropriate Security policy built on good practices, using recognised standards is in place and clearly defines requirements for Network Security.
  - b) External perimeter control through the use of firewalls to protect the internal network from external intrusion.
  - c) Virtual private networks (VPNs) to allow authorised traffic through the firewall, using encryption techniques to prevent eavesdropping, and physical devices (tokens) of which the user must have custody to further enhance authentication.
  - d) Intrusion detection tools to identify suspect network activity and issue alerts.

#### **Adult Services: Perthyn Contract**

- There is a contract in place and variations / extensions to the contract have been authorised correctly.

<sup>3</sup> Listed are the management controls that were reviewed and found not to be in place and/or operating satisfactorily and therefore positive assurance could not be provided for them.

- There are suitable arrangements in place to verify that payments are valid and accurate.
- There are suitable arrangements in place to provide assurance that the performance of Key Performance Indicators (KPIs) are monitored in accordance with the Contract.
- Electronically held data is secure and can be restored in the event of IT failure.

#### **Place and Enterprise: Transport Operations Group (Unsatisfactory 2017/18)**

To ensure that the recommendations made in the previous Transport Operations Group audit have been implemented as agreed. The recommendations made in the previous audit related to the following management control objectives:

- There are procedures and policies available which provide advice and instruction with regard to the operation and administration of vehicles.
- The vehicle fleet is subject to management to ensure that all vehicles are operated in accordance with legislation and are maintained to an acceptable standard.
- Vehicle procurement and administration is suitably carried out in accordance with procedures and the Council Contract Rules.
- The procurement and administration of the fuel supply is carried out in accordance with procedures and the Council Contract Rules.
- The financial administration of the service including the monitoring of performance is carried out accurately and in accordance with procedures.

**Table 4: Audit assurance opinions: awarded on completion of audit reviews reflecting the efficiency and effectiveness of the controls in place, opinions are graded as follows**

<b>Good</b>	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is a sound system of control in place which is designed to address relevant risks, with controls being consistently applied.
<b>Reasonable</b>	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is generally a sound system of control but there is evidence of non-compliance with some of the controls.
<b>Limited</b>	Evaluation and testing of the controls that are in place performed in the areas examined identified that, whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.
<b>Unsatisfactory</b>	Evaluation and testing of the controls that are in place identified that the system of control is weak and there is evidence of non-compliance with the controls that do exist. This exposes the Council to high risks that should have been managed.

**Table 5: Audit recommendation categories: an indicator of the effectiveness of the Council's internal control environment and are rated according to their priority**

<b>Best Practice (BP)</b>	Proposed improvement, rather than addressing a risk.
<b>Requires Attention (RA)</b>	Addressing a minor control weakness or housekeeping issue.
<b>Significant (S)</b>	Addressing a significant control weakness where the system may be working but errors may go undetected.
<b>Fundamental</b>	Immediate action required to address major control weakness that, if not

<b>(F)</b>	addressed, could lead to material loss.
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**Table 6: Glossary of terms****Significance**

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

**Head of Internal Audit Annual Opinion**

The rating, conclusion and/or other description of results provided by the Head of Internal Audit addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the Head of Internal Audit based on the results of several individual engagements and other activities for a specific time interval.

**Governance**

Comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the outcomes for intended stakeholders are defined and achieved.

**Risk**

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

**Control**

Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

**Impairment**

Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations (funding).

**Table 7: Audit recommendations made in the period from 12th November 2018 to 31st January 2019**

Service area	Number of recommendations made				
	Best practice	Requires attention	Significant	Fundamental	Total
Chief Executive	4	41	10	0	55
Finance, Governance and Assurance	0	6	3	0	9
Governance	0	0	0	0	0
Workforce and Transformation	4	35	7	0	46
Legal and Democratic	0	0	0	0	0

Service area	Number of recommendations made				
	Best practice	Requires attention	Significant	Fundamental	Total
Adult Services	2	0	5	0	7
Place and Enterprise	1	33	31	1	66
Children's Services	0	0	2	0	2
Children's Services: Schools	0	0	0	0	0
Children's Services: Others	0	0	2	0	2
Public Health	0	0	0	0	0
<b>Total for period</b> ➤ <b>Numbers</b>	<b>7</b>	<b>74</b>	<b>48</b>	<b>1</b>	<b>130</b>
<b>Percentage</b>	<b>5%</b>	<b>57%</b>	<b>37%</b>	<b>1%</b>	<b>100%</b>
<b>Percentage 2018/19 to date</b>	<b>3%</b>	<b>62%</b>	<b>35%</b>	<b>0%</b>	<b>100%</b>
<b>Percentage 2017/18</b>	<b>0%</b>	<b>41%</b>	<b>56%</b>	<b>3%</b>	<b>100%</b>
<b>Percentage 2016/17</b>	<b>4%</b>	<b>50%</b>	<b>46%</b>	<b>0%</b>	<b>100%</b>
<b>Percentage 2015/16</b>	<b>4%</b>	<b>54%</b>	<b>42%</b>	<b>0%</b>	<b>100%</b>
<b>Percentage 2014/15</b>	<b>6%</b>	<b>53%</b>	<b>40%</b>	<b>1%</b>	<b>100%</b>
<b>Percentage 2013/14</b>	<b>15%</b>	<b>57%</b>	<b>27%</b>	<b>1%</b>	<b>100%</b>
<b>Percentage 2012/13</b>	<b>23%</b>	<b>57%</b>	<b>20%</b>	<b>0%</b>	<b>100%</b>

**Table 8: Recommendation follow up process (risk based)**

When recommendations are agreed the responsibility for implementation rests with management. There are four categories of recommendation: fundamental, significant, requires attention and best practice and there are four assurance levels given to audits: unsatisfactory, limited, reasonable and good.

The process for *fundamental recommendations* will continue to be progressed within the agreed time frame with the lead Director being asked to confirm implementation. Audit will conduct testing, either specifically on the recommendation or as part of a re-audit of the whole system. Please note that all agreed fundamental recommendations will continue to be reported to Audit Committee. Fundamental recommendations not implemented after the agreed date, plus one revision to that date where required, will in discussion with the Section 151 Officer be reported to Audit Committee for consideration.

## APPENDIX B

AUDIT PLAN BY SERVICE –PERFORMANCE REPORT FROM 12<sup>th</sup> NOVEMBER 2018 TO 31<sup>st</sup> JANUARY 2019

	Original Plan Days	September Revision	November Revision	February Revision	Revised Plan Days	31st January 2019 Actual	% Revised Plan Achieved
<b>CHIEF EXECUTIVE</b>							
<b>Governance</b>	<b>30</b>	<b>-7</b>	<b>-2</b>	<b>-1</b>	<b>20</b>	<b>9.6</b>	<b>48%</b>
<b>Finance Governance &amp; Assurance</b>							
Finance Transactions	108	-10	-35	0	63	16.5	26%
Finance and S151 Officer	101	-27	-22	0	52	27.2	52%
Financial Management	70	13	-27	0	56	38.2	68%
Procurement and Contract Management	61	-3	8	-8	58	54.6	94%
Revenues and Benefits	20	-8	0	0	12	12.2	102%
Risk Management and Insurance	8	-1	0	0	7	7.2	103%
Treasury	24	-8	0	0	16	16.1	101%
	<b>392</b>	<b>-44</b>	<b>-76</b>	<b>-8</b>	<b>264</b>	<b>172.0</b>	<b>65%</b>
<b>Workforce and Transformation</b>							
Human Resources	97	-44	3	0	56	49.8	89%
Customer Services	13	-5	5	0	13	13.1	101%
ICT	147	12	-9	-10	140	102.1	73%
	<b>257</b>	<b>-37</b>	<b>-1</b>	<b>-10</b>	<b>209</b>	<b>165.0</b>	<b>79%</b>
<b>Legal and Democratic</b>							
Information Governance	8	5	0	13	26	12.5	48%
Legal Services	20	-3	0	-7	10	0.0	0%
	<b>28</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>36</b>	<b>12.5</b>	<b>35%</b>
<b>CHIEF EXECUTIVE</b>	<b>707</b>	<b>-86</b>	<b>-79</b>	<b>-13</b>	<b>529</b>	<b>359.1</b>	<b>68%</b>
<b>ADULT SERVICES</b>							
<b>Social Care Operations</b>							
Long Term Support	96	-42	-11	4	47	16.8	36%
Assistive Services	8	0	0	-8	0	0.0	0%
Provider Services - Group Homes	8	-1	0	0	7	7.4	106%
Housing Services	28	-8	0	-16	4	0.2	5%
	<b>140</b>	<b>-51</b>	<b>-11</b>	<b>-20</b>	<b>58</b>	<b>24.4</b>	<b>42%</b>

	Original Plan Days	September Revision	November Revision	February Revision	Revised Plan Days	31st January 2019 Actual	% Revised Plan Achieved
<b>Social Care Efficiency and Improvement</b>							
Developmental Support	32	-20	0	-12	0	0.0	0%
<b>ADULT SERVICES</b>	<b>172</b>	<b>-71</b>	<b>-11</b>	<b>-32</b>	<b>58</b>	<b>24.4</b>	<b>42%</b>
<b>PLACE AND ENTERPRISE</b>							
<b>Director of Place and Enterprise</b>							
Corporate Performance Management	0	10	-10	2	2	1.7	85%
<b>Business, Enterprise and Commercial Services</b>							
Commercial Services	8	0	2	1	11	11.3	103%
Shire Services	25	-13	0	0	12	12.0	100%
Strategic Asset Services	64	-26	-6	-6	26	0.0	0%
	<b>97</b>	<b>-39</b>	<b>-4</b>	<b>-5</b>	<b>49</b>	<b>23.3</b>	<b>48%</b>
<b>Economic Development</b>							
Business & Enterprise Development	29	-12	-6	4	15	14.3	95%
Management	24	-11	0	0	13	13.2	102%
Planning & Corporate Policy	16	26	0	0	42	42.5	101%
Project Development	17	-4	-9	0	4	4.0	100%
	<b>86</b>	<b>-1</b>	<b>-15</b>	<b>4</b>	<b>74</b>	<b>74.0</b>	<b>100%</b>
<b>Infrastructure and Communities</b>							
Highways	65	6	-6	-16	49	43.3	88%
Environmental Maintenance	0	8	-2	0	6	5.8	97%
Library Services	4	-4	0	0	0	0.0	0%
Public Transport	48	-23	1	4	30	29.5	98%
Waste & Bereavement	24	-24	0	0	0	0.0	0%
	<b>141</b>	<b>-37</b>	<b>-7</b>	<b>-12</b>	<b>85</b>	<b>78.6</b>	<b>92%</b>
<b>Culture and Heritage</b>							
Theatre Severn and OMH	10	0	4	3	17	16.9	99%
Leisure Services	8	-8	0	0	0	0.0	0%
	<b>18</b>	<b>-8</b>	<b>4</b>	<b>3</b>	<b>17</b>	<b>16.9</b>	<b>99%</b>
<b>PLACE AND</b>	<b>342</b>	<b>-75</b>	<b>-32</b>	<b>-8</b>	<b>227</b>	<b>194.5</b>	<b>86%</b>



	Original Plan Days	September Revision	November Revision	February Revision	Revised Plan Days	31st January 2019 Actual	% Revised Plan Achieved
<b>ENTERPRISE</b>							
<b>CHILDREN'S SERVICES</b>							
<b>Safeguarding</b>							
Children's Placement Services & Joint Adoption	36	-5	2	-13	20	17.4	87%
Safeguarding	6	4	5	1	16	14.3	89%
	<b>42</b>	<b>-1</b>	<b>7</b>	<b>-12</b>	<b>36</b>	<b>31.7</b>	<b>88%</b>
<b>Education, Improvement and Efficiency</b>							
Education Improvements	50	-20	-17	-1	12	6.2	52%
Primary/Special Schools	54	-36	15	7	40	27.8	70%
Secondary Schools	27	-27	0	0	0	0.0	0%
	<b>131</b>	<b>-83</b>	<b>-2</b>	<b>6</b>	<b>52</b>	<b>34.0</b>	<b>65%</b>
<b>CHILDREN'S SERVICES</b>	<b>173</b>	<b>-84</b>	<b>5</b>	<b>-6</b>	<b>88</b>	<b>65.7</b>	<b>75%</b>
<b>PUBLIC HEALTH</b>							
Public Health	10	5	0	0	15	6.1	41%
Community Safety	8	-8	0	0	0	0.0	0%
	<b>18</b>	<b>-3</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>6.1</b>	<b>41%</b>
<b>Public Protection</b>							
Community Safety	24	-10	0	1	15	15.4	103%
Environmental Protection and Prevention	20	-7	0	0	13	0.1	1%
	<b>44</b>	<b>-17</b>	<b>0</b>	<b>1</b>	<b>28</b>	<b>15.5</b>	<b>55%</b>
<b>Bereavement</b>	<b>8</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>12.5</b>	<b>104%</b>
<b>PUBLIC HEALTH</b>	<b>70</b>	<b>-17</b>	<b>1</b>	<b>1</b>	<b>55</b>	<b>34.1</b>	<b>62%</b>
<b>Total Shropshire Council Planned Work</b>	<b>1,464</b>	<b>-333</b>	<b>-116</b>	<b>-58</b>	<b>957</b>	<b>677.8</b>	<b>71%</b>
<b>CONTINGENCIES</b>							
Advisory Contingency	50	-10	0	-8	32	27.3	85%
Fraud Contingency	200	0	0	0	200	176.1	88%
Unplanned Audit Contingency	50	4	0	-10	44	44.7	102%

	Original Plan Days	September Revision	November Revision	February Revision	Revised Plan Days	31st January 2019 Actual	% Revised Plan Achieved
Other non audit Chargeable Work	266	-9	-9	0	248	223.1	90%
<b>CONTINGENCIES</b>	<b>566</b>	<b>-15</b>	<b>-9</b>	<b>-18</b>	<b>524</b>	<b>471.2</b>	<b>90%</b>
<b>Total for Shropshire</b>	<b>2,030</b>	<b>-348</b>	<b>-125</b>	<b>-76</b>	<b>1,481</b>	<b>1,149.0</b>	<b>78%</b>
<b>EXTERNAL CLIENTS</b>	<b>226</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>229</b>	<b>169.0</b>	<b>74%</b>
<b>Total Chargeable</b>	<b>2,256</b>	<b>-345</b>	<b>-125</b>	<b>-76</b>	<b>1,710</b>	<b>1,318.0</b>	<b>77%</b>