



<u>Committee and Date</u>	<u>Item</u>
Audit Committee	
10 <sup>th</sup> December 2020	
1:30pm	<u>Public</u>

## INTERNAL AUDIT PERFORMANCE AND REVISED ANNUAL AUDIT PLAN 2020/21

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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. 62% percent of the revised plan has been completed (**see Appendix A, Table 1**), which is in slightly ahead of previous delivery records, however, due to the continuing impact of COVID there has been a minor adjustment to the planned audit activity. The team is on target to achieve 90% delivery by the year end.

Four good, six reasonable, five limited and two unsatisfactory assurance opinions have been issued. The 17 final reports contained 149 recommendations, three of which were fundamental.

This report proposes minor revisions in the coverage of planned activity for Shropshire Council with a minor change in resources from the 2,157 days as reported in September 2020 to 2,159 days. Changes to the planned activity reflect adjustments in both risks and a reduction in available resources for pure audit work given the continuing impact of COVID on both the service and the client; 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 2020/21 Audit Plan
- b) Identify any action(s) it wishes to take in response to any low assurance levels and fundamental recommendations brought to Members' attention and notes the change made to the 2019/20 Annual Governance Statement.
- c) The adjustments required to the 2020/21 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 audit 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 Climate Change Appraisal

- 5.1 This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaption. Therefore, no effect.

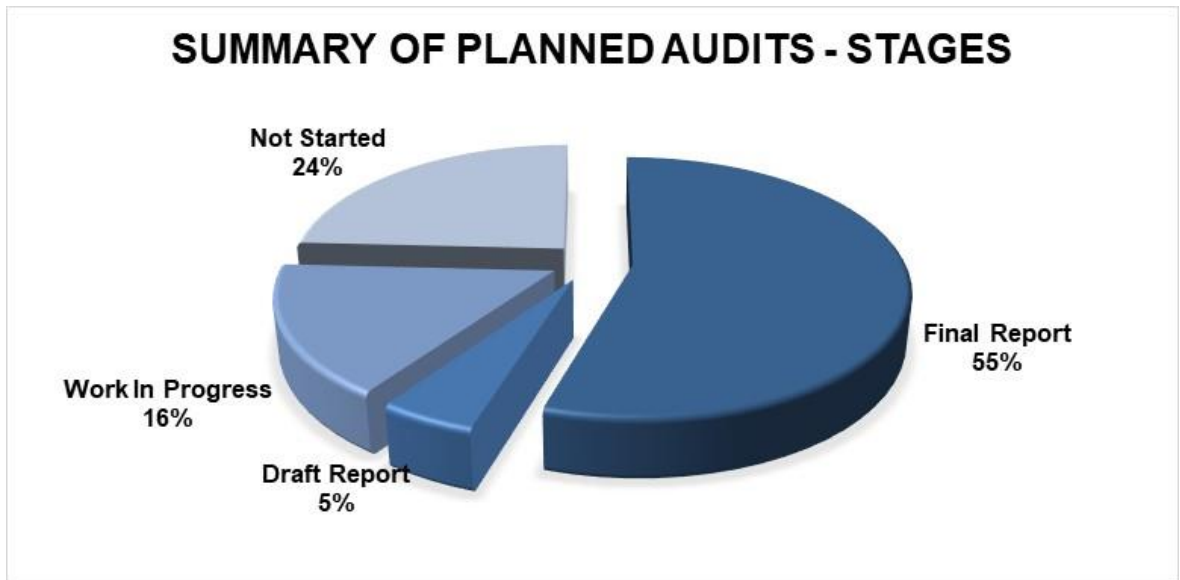
### 6 Background

- 6.1 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.

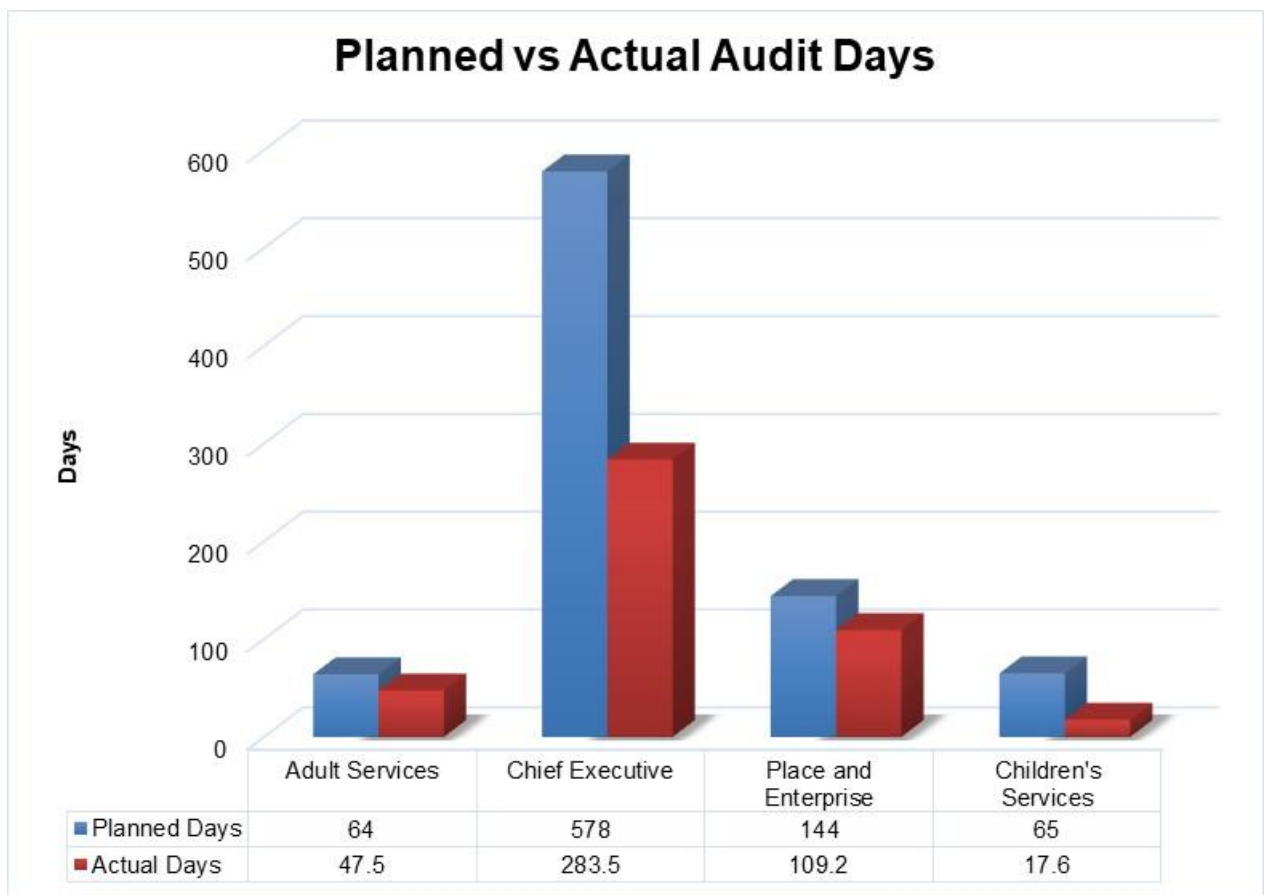
- 6.2 The 2020/21 Internal Audit Plan was presented to, and approved by, members at the 25th February 2020 Audit Committee, with adjustments being approved in September 2020. This report provides an update on progress made against the plan up to 15<sup>th</sup> November 2020 and includes minor revisions to the plan.
- 6.3 As reported in September, the impact of the COVID pandemic continues to affect planned audit activity. Some planned audit work has commenced but has been exacerbated by a further four-week lockdown in November 2020, delivery of audits in a few areas has not been possible and has been postponed. Auditors have continued to provide corporate support through input into the Business Continuity Group and associated processes; grant administration and more recently, the COVID 19 Regulatory Cell alongside colleagues in Public Protection.
- 6.4 The Head of Audit will report on this, where it impairs on independence or objectivity going forward arising from additional roles or responsibilities outside of Internal Auditing and periodically review and approve safeguards to limit such impairments where possible with the current situation. Currently the impact is low on the Head of Audit's Opinion due to the reduced audit coverage. Given the lower level of coverage in the current climate, where, following conversations with system owners, it is known that control improvements for key systems have not been attained following the diversion of service resources to respond to COVID19, the assurance levels will remain unchanged. Therefore, the Committee will be required to seek and rely on increased assurances from Service Managers, Directors and second lines of assurance where this is available.
- 6.5 The Audit team have continued to work from home utilising the cloud based audit management software to complete their audits remotely. External Clients have also been able to adapt their working practices to enable audits to be completed remotely which has meant that income levels remain unaffected.

## **7 Performance against the plan 2020/21**

- 7.1 Revisions to the 2020/21 planned audit activity provide for a total of 2,159 days. There have been minimal changes to resources, however, the planned audit activity has been adjusted to reflect changes in risks. Performance to date is slightly ahead of previous delivery records at 62% (56% 2019/20), overall the team is on track to deliver a minimum of 90% of the revised annual plan by the year end. There is continued support in the Council's response to COVID19 on grant applications; regulatory cell activity and business continuity.
- 7.2 In total, 17 final reports have been issued in the period from 10<sup>th</sup> August to 15<sup>th</sup> November 2020. The following chart shows performance against the approved Internal Audit Plan for 2020/21:



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

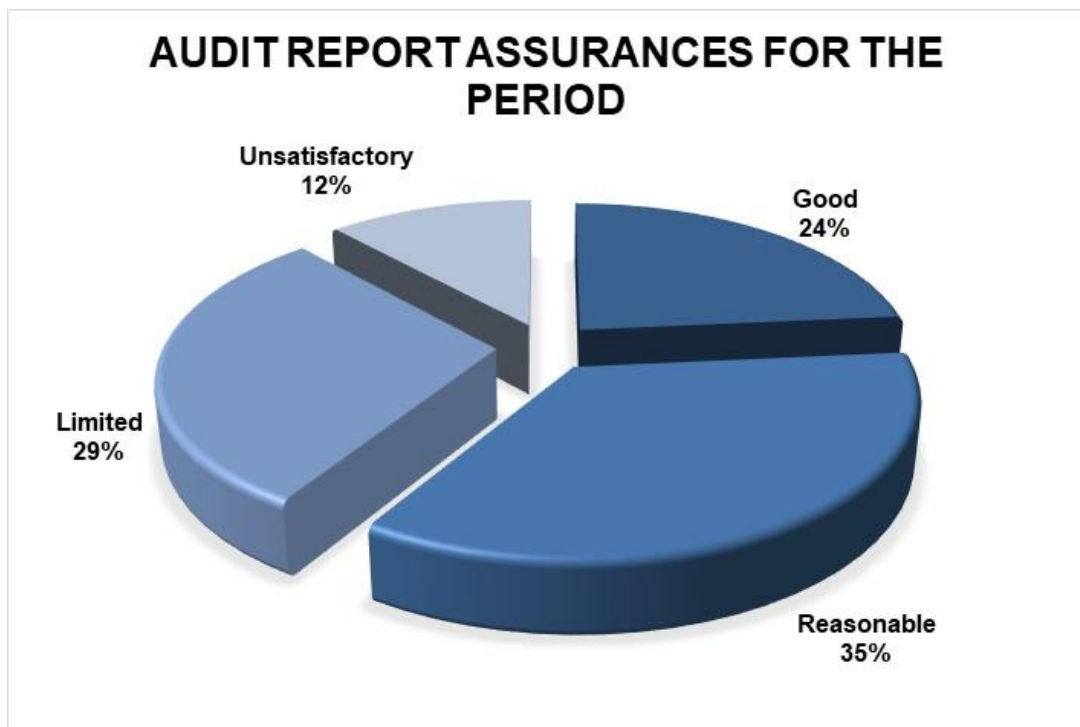


7.4 The following audits have been completed since the beginning of the year:

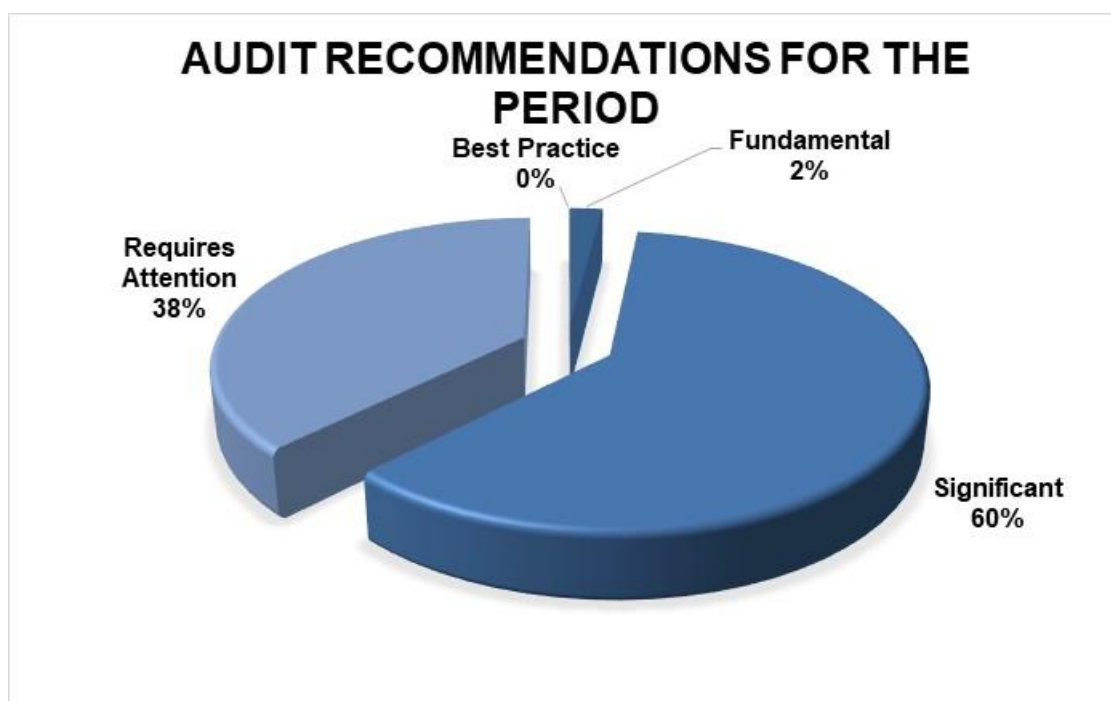
- Assistive Technologies (Broseley Project / Activage)
- Climate Change Strategy
- Commercial Strategy and Plans
- COVID Cyber Risk Assessment
- Digital Mail Room
- Digital Strategy

- Dog Wardens
- General Data Protection Regulations / Freedom of Information
- Highways Design Consultants - Contract
- Highways Maintenance - Bridges
- Highways Maintenance Contract
- IDOX Planning System – IT Application Review
- IT Service Desk Procedures
- Risk Management
- Telecommunications, Contracts and Procurement
- Treasury Management
- Wireless Networking

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



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



- 7.7 Up to the 15<sup>th</sup> November 2020, ten reports have been issued providing good or reasonable assurances and accounting for 59% of the opinions delivered. This represents a slight decrease in the higher levels of assurance for this period, compared to the previous year outturn of 64%. This is offset by a corresponding increase in limited and unsatisfactory assurances, currently 41% compared to the previous year outturn of 36%.
- 7.8 Control objectives evaluated and not found to be in place as part of these audit reviews that have since been finalised, appear in a summary of the planned audit reviews which resulted in unsatisfactory or limited assurance 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**.
- 7.9 Following completion of the Highways Term Maintenance and Highways Design Contract reviews, details of which are explored in the exempt part of the agenda, given the size of the contract; impact on key Council services and that the control improvements have not impacted greatly on the assurance level for the 2020/21 Internal Audit. Whilst the External Auditor, Grant Thornton, agreed the original wording in the Annual Governance Statement was correct at the time of writing and did not see this as a significant issue for separate reporting in the Statement; he concluded with the accounts still open at the time of Internal Audit completion, that the findings should be reflected in wording of the Annual Governance Statement that accompanies the 2019/20 Statement of Accounts. This has been agreed and signed off by the Chief Executive and the Leader of the Council. For completeness the change made is noted here.

Under Principle D: **DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES.**

*Work has been focused improving the control environment in Highways following an unsatisfactory Internal Audit assurance rating for the service. Restructuring, use of*

*consultants, improved use of technology and a review of processes has been underway but timescales have proved overly ambitious. Following an Internal Audit re-review in 2020/21 an unsatisfactory assurance level has continued regarding the control environment. Management have and will provide interim update reports to Audit Committee demonstrating a positive direction of travel.*

- 7.10 Three 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.
- 7.11 A total of 149 recommendations have been made in the 17 final audit reports issued in the period 10<sup>th</sup> August to 15<sup>th</sup> November 2020, these are broken down by audit area and appear in **Appendix A, Table 7**.
- 7.12 Three fundamental recommendations have been identified, two of which are detailed below the remaining one is covered in the exempt part of the agenda:

### **Dog Wardens**

**Recommendation** - A full management review of the Dog Wardens service should be undertaken to ensure that there are appropriate policies and working practices in place to comply with legislation, Council policy and Financial and Contract Rules. This should include a review of the arrangements with the external service provider to ensure that value for money is obtained and an adequate service is provided. (As previously recommended and agreed in 2019/20).

**Risk** - Failure to deliver a Dog Wardens service in accordance with legislation and acceptable procedures and standards could lead to complaints about the process which may result in the Council incurring reputational damage. Further financial losses may occur if the Council's policies and procedures are not adhered to.

**Management Response**- The standard operating procedures are not yet in place due to staff sickness. Consideration is being given to the way that the service will be delivered in the future. A number of points have already been addressed. A Project Manager has now been appointed to help oversee and manage the development of the operating procedures. This will in turn help rectify the issues identified. The first meeting took place on 26<sup>th</sup> May 2020, these are scheduled fortnight going forward.

**Agreed Implementation Date** – 31<sup>st</sup> December 2020

### **Telecommunications, Contracts and Procurement**

**Recommendation** - The fixed line and mobile contracts should be prepared and issued for tender as soon as reasonably possible. A full business case should be prepared for the fixed lines contract. In future the process to retender contracts should be started prior to the expiration of the current contract.

**Risk** - Suppliers have no on-going obligation to provide a service which could lead to withdrawal of services at short notice. This may then result in a new supplier being sort at short notice leading to unsatisfactory terms for the Council and financial loss.

**Management Response**- Procurement activities for these contracts are underway. As communicated during this audit there are technical reasons why some of the procurement activity has been delayed, these reasons still exist (the main one being the proposed closure of Shirehall in three years). Staffing resources in the ICT department and the Telecoms area in particular have been severely stretched, we are currently attempting to obtain funding for an additional position to alleviate the work burden which

should allow more attention to be given to this area in future. A procurement timeline for these contracts has been developed.

**Agreed Implementation Date** – January 2021

7.13 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 Committee’s involvement.

7.14 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**.

- Regulatory Cell volunteers; given the ever changing government guidance on which businesses should be operating and under what conditions, Regulatory Services have found themselves under resourced to deliver their statutory responsibilities and the additional pressures that COVID19 has introduced. Auditors interpersonal; professional and evidential based skills are helping to provide additional support daily to businesses on behalf of Regulatory Services.
- Grant administration and counter fraud checks; further grant funds are available to businesses as part of the second national lockdown. With this brings the opportunity for fraudsters to test the system of allocation. Audit resources are directed at verifying payment details and using the supporting systems and processes provided by government bodies to assist in this and maximise the funds going to the right businesses as intended.
- In responding to COVID19 resources have also continued to be redirected to ensuring Business Continuity where appropriate and supporting the corporate response to the pressures.
- Honorary and Voluntary Bodies initiated a project to identity where the Council provides services on a regular basis and the process improvements required to ensure that all the support is collated in one place to celebrate this approach and formalised in transparent arrangements to ensure that any risks are mitigated.
- Auditors have used computer assisted technology, IDEA, to complete data analytics for main financial systems, to help cleanse payroll data and manage leave, especially Christmas leave in the new system. We are looking to imbed this further in audits to improve testing coverage and data quality through whole population testing rather than sample.
- Advice has been provided on the purchase of replacement IT systems, e.g. chip and pin terminals

## Direction of travel

7.15 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>2020/21 to date</b>	<b>21%</b>	<b>29%</b>	<b>29%</b>	<b>21%</b>	<b>100%</b>
<b>2019/20</b>	<b>15%</b>	<b>49%</b>	<b>22%</b>	<b>14%</b>	<b>100%</b>
<b>2018/19</b>	<b>26%</b>	<b>41%</b>	<b>27%</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>



## Comparison of recommendation by categorisation

Categorisation	Best practice	Requires attention	Significant	Fundamental	Total
<b>2020/21 to date</b>	<b>2%</b>	<b>50%</b>	<b>46%</b>	<b>2%</b>	<b>100%</b>
<b>2019/20</b>	<b>1%</b>	<b>59%</b>	<b>39%</b>	<b>1%</b>	<b>100%</b>
<b>2018/19</b>	<b>2%</b>	<b>60%</b>	<b>37%</b>	<b>1%</b>	<b>100%</b>
<b>2017/18</b>	<b>3%</b>	<b>56%</b>	<b>41%</b>	<b>0%</b>	<b>100%</b>

7.16 The number of lower level assurances 50%, at this point in the year, is significantly higher than the outturn for 2019/20 of 36%. The proportion of areas attracting unsatisfactory assurance (21%) is significantly higher than any previous year outturn. Whilst this does not yet demonstrate a complete picture, it is an early indicator of a weaker control environment across the Council and whilst not unexpected with the additional pressures of responding to the COVID19 pandemic, needs to be managed appropriately. **Appendix A, Table 3**, shows a full list of areas that have attracted limited and unsatisfactory assurances during the period 10<sup>th</sup> August 2020 to 15<sup>th</sup> November 2020.

**Performance measures**

7.17 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)**

Internal Audit Performance and Revised Annual Audit Plan 2020/21 – Audit Committee 17th September 2020

Draft Internal Audit Risk Based Plan 2020/21 - Audit Committee 25<sup>th</sup> February 2020

Public Sector Internal Audit Standards (PSIAS)

Audit Management system

Accounts and Audit Regulations 2015

**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 10<sup>th</sup> August 2020 to 15<sup>th</sup> November 2020

Table 2: Final audit report assurance opinions issued in the period 10<sup>th</sup> August 2020 to 15<sup>th</sup> November 2020

Table 3: Unsatisfactory and limited assurance opinions in the period 10<sup>th</sup> August 2020 to 15<sup>th</sup> November 2020

Table 4: Audit assurance opinions

Table 5: Audit recommendation categories

Table 6: Glossary of terms

Table 7: Audit recommendations made in the period 10<sup>th</sup> August 2020 to 15<sup>th</sup> November 2020

Table 8: Recommendation follow up process (risk based)

**Appendix B** - Audit plan by service 10<sup>th</sup> August 2020 to 15<sup>th</sup> November 2020

## APPENDIX A

**Table 1: Summary of actual audit days delivered and revisions to the audit plan in the period from 10<sup>th</sup> August to 15<sup>th</sup> November 2020**

	Original Plan	Revised Plan	15th November 2020 Actual	% of Original Complete	% of Revised Complete
Chief Executive	821	578	283.5	35%	49%
Finance, Governance and Assurance	420	377	151.4	36%	40%
Governance	14	14	5.9	42%	42%
Workforce and Development	361	174	112.6	31%	65%
Legal and Democratic	26	13	13.6	52%	105%
Adult Services	194	64	47.5	24%	74%
Social Care	134	61	47.4	39%	78%
Public Health	29	2	0.0	0%	0%
Public Protection	31	1	0.1	0%	10%
Place and Enterprise	221	144	109.2	49%	76%
Children's Services	248	65	17.6	7%	27%
Schools	126	26	0.5	0%	2%
Other	122	39	17.1	14%	44%
<b>S151 Planned Audit</b>	<b>1,484</b>	<b>851</b>	<b>457.8</b>	<b>31%</b>	<b>54%</b>
Contingencies and other chargeable work	582	1070	798	137%	75%
<b>Total S151 Audit</b>	<b>2,066</b>	<b>1,921</b>	<b>1,255.8</b>	<b>61%</b>	<b>65%</b>
External Clients	171	238	93.2	55%	39%
<b>Total</b>	<b>2,237</b>	<b>2,159</b>	<b>1,349</b>	<b>60%</b>	<b>62%</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 10<sup>th</sup> August to 15<sup>th</sup> November 2020**

Service area	Good	Reasonable	Limited	Unsatisfactory	Total
Chief Executive	4	2	3	0	9
Finance, Governance and Assurance	2	0	0	0	2
Governance	0	0	0	0	0
Workforce and Development	2	2	2	0	6
Legal and Democratic	0	0	1	0	1
Adult Services	0	0	1	0	1
Social Care	0	0	1	0	1
Public Health	0	0	0	0	0

Service area	Good	Reasonable	Limited	Unsatisfactory	Total
Public Protection	0	0	0	0	0
Place and Enterprise	0	4	1	2	7
Children's Services	0	0	0	0	0
Children's Services: Schools	0	0	0	0	0
Children's Services: Others	0	0	0	0	0
<b>Total for Period</b>					
➤ <b>Numbers</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>17</b>
➤ <b>Percentage</b>	<b>24%</b>	<b>35%</b>	<b>29%</b>	<b>12%</b>	<b>100%</b>
<b>Percentage 2020/21 YTD</b>	<b>21%</b>	<b>29%</b>	<b>29%</b>	<b>21%</b>	<b>100%</b>
<b>Percentage 2019/20</b>	<b>15%</b>	<b>49%</b>	<b>22%</b>	<b>14%</b>	<b>100%</b>
<b>Percentage 2018/19</b>	<b>26%</b>	<b>41%</b>	<b>27%</b>	<b>6%</b>	<b>100%</b>
<b>Percentage 2017/18</b>	<b>20%</b>	<b>44%</b>	<b>29%</b>	<b>7%</b>	<b>100%</b>

**Table 3: Unsatisfactory and limited assurance opinions issued in the period from 10<sup>th</sup> August to 15<sup>th</sup> November 2020<sup>1</sup>**

### Unsatisfactory assurance

#### **Place and Enterprise: Highways Contract (Unsatisfactory 2019/20)**

Considered in the exempt part of the agenda

#### **Place and Enterprise: Dog Wardens (Unsatisfactory 2019/20)**

- The system is operated in accordance with up to date policies, procedures, Financial Rules, statutory regulations and legislation.
- There is an appropriate recording process in place for Dog Warden activities.
- Income is identified, collected and banked in accordance with procedures.
- Purchases are appropriate, authorised, recorded correctly and comply with Financial Regulations and Contract Procedure Rules.
- Disclosure and Barring Service (DBS) checks have been performed for relevant staff.
- Adequate management information is obtained and reviewed at an appropriate level.
- Information / data processing risks are managed appropriately.

### Limited assurance

#### **Adult Services: Assistive Technologies (Broseley Project / Activage)**

- Appropriate project structures are in place to deliver project desired outcomes.
- Appropriate project governance arrangements are in place, to provide management with a suitable framework to make project decisions.
- Project resources are carefully considered to ensure that the project is successfully completed on time and within budget.
- Communication is direct and efficient to allow effective decision making.

#### **Legal and Democratic – General Data Protection Regulations (GDPR) and Freedom of Information (FOI) (Limited 2018/19)**

<sup>1</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.

- To ensure that the recommendations made in the 2018-19 audit have been implemented as per the original management responses.
- Appropriate organisational measures have been taken to ensure the compliance requirements are met for GDPR (General Data Protection Regulation). Data Protection governance and accountability are clear.
- An information audit has been completed identifying all personal data held, processed and shared.
- Appropriate management arrangements are in place to collate, review and issue responses to FOI requests within the legislative timescales and to the required quality.

**Place and Enterprise: Highways Design Contract 2019/20 (Reasonable 2016/17)**

Considered in the exempt part of the agenda

**Workforce and Development: Telecommunications, Contracts and Procurement**

- Formal contract management processes are in place with formally assigned responsibility.
- Appropriate management arrangements are in place to recharge budget managers for usage of fixed line and mobile telephony.

**Workforce and Development: Digital Mail Room**

- To ensure that the application authentication and authorisation mechanisms are secure.
- To ensure that there are continuity processes are in place to ensure system availability.

**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</b>	Proposed improvement, rather than addressing a risk.
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<b>Practice (BP)</b>	
<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 (F)</b>	Immediate action required to address major control weakness that, if not addressed, could lead to material loss.

**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 10<sup>th</sup> August to 15<sup>th</sup> November 2020**

Service area	Number of recommendations made				
	Best practice	Requires attention	Significant	Fundamental	Total
Chief Executive	0	27	28	1	56
Finance, Governance and Assurance	0	4	4	0	8
Governance	0	0	0	0	0
Workforce and Development	0	16	17	1	34
Legal and Democratic	0	7	7	0	14
Adult Services	0	4	22	0	26
Social Care	0	4	22	0	26
Public Health	0	0	0	0	0
Public Protection	0	0	0	0	0
Place and Enterprise	0	22	34	2	58
Children's Services	0	3	6	0	9
Children's Services: Schools	0	0	0	0	0
Children's Services: Others	0	3	6	0	9
<b>Total for Period</b>					
➤ <b>Numbers</b>	<b>0</b>	<b>56</b>	<b>90</b>	<b>3</b>	<b>149</b>
➤ <b>Percentage</b>	<b>0%</b>	<b>38%</b>	<b>60%</b>	<b>2%</b>	<b>100%</b>
<b>Percentage 2020/21 YTD</b>	<b>2%</b>	<b>50%</b>	<b>46%</b>	<b>2%</b>	<b>100%</b>
<b>Percentage 2019/20</b>	<b>1%</b>	<b>59%</b>	<b>39%</b>	<b>1%</b>	<b>100%</b>
<b>Percentage 2018/19</b>	<b>2%</b>	<b>60%</b>	<b>37%</b>	<b>1%</b>	<b>100%</b>
<b>Percentage 2017/18</b>	<b>3%</b>	<b>56%</b>	<b>41%</b>	<b>3%</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 10<sup>th</sup> AUGUST TO 15<sup>th</sup> NOVEMBER 2020

	Original Plan Days	Sept. Revision	Nov. Revision	Revised Plan Days	15th November 2020 Actual	% Revised Plan
<b>CHIEF EXECUTIVE</b>						
<b>Governance</b>	14	0	0	14	5.9	42%
<b>Finance Governance &amp; Assurance</b>						
Finance Transactions	135	-25	-5	105	24.2	23%
Finance and S151 Officer	88	14	-10	92	25.1	27%
Financial Management	83	-5	0	78	46.4	59%
Procurement and Contract Management	30	0	0	30	17.1	57%
Revenues and Benefits	59	-8	0	51	17.9	35%
Risk Management and Insurance	7	-7	0	0	0.3	0%
Treasury	18	1	2	21	20.4	97%
	<b>420</b>	<b>-30</b>	<b>-13</b>	<b>377</b>	<b>151.4</b>	<b>40%</b>
<b>Workforce and Development</b>						
Human Resources	161	-104	-4	53	30.9	58%
Information Governance	8	-8	0	0	0.0	0%
ICT	168	-51	1	118	79.3	67%
Occupational Health & Safety	11	-8	0	3	2.4	80%
Customer Services	13	-13	0	0	0.0	0%
	<b>361</b>	<b>-184</b>	<b>-3</b>	<b>174</b>	<b>112.6</b>	<b>65%</b>
<b>Legal and Democratic</b>	<b>26</b>	<b>-16</b>	<b>3</b>	<b>13</b>	<b>13.6</b>	<b>105%</b>
<b>CHIEF EXECUTIVE</b>	<b>821</b>	<b>-230</b>	<b>-13</b>	<b>578</b>	<b>283.5</b>	<b>49%</b>
<b>ADULT SERVICES</b>						
<b>Social Care Operations</b>						
Long Term Support	117	-66	0	51	37.7	74%
Assistive Services	5	5	0	10	9.7	97%
	<b>122</b>	<b>-61</b>	<b>0</b>	<b>61</b>	<b>47.4</b>	<b>78%</b>
<b>Social Care Efficiency and Improvement</b>						
Developmental Support	12	-12	0	0	0.0	0%
<b>Public Health</b>	<b>29</b>	<b>-27</b>	<b>0</b>	<b>2</b>	<b>0.0</b>	<b>0%</b>



	Original Plan Days	Sept. Revision	Nov. Revision	Revised Plan Days	15th November 2020 Actual	% Revised Plan
<b>Public Protection</b>						
Environmental Protection and Prevention- Public Protection	15	-15	0	0	0.0	0%
Community Safety	8	-6	-1	1	0.1	10%
	<b>23</b>	<b>-21</b>	<b>-1</b>	<b>1</b>	<b>0.1</b>	<b>10%</b>
<b>Bereavement</b>						
	<b>8</b>	<b>-8</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0%</b>
<b>ADULT SERVICES</b>	<b>194</b>	<b>-129</b>	<b>-1</b>	<b>64</b>	<b>47.5</b>	<b>74%</b>
<b>PLACE AND ENTERPRISE</b>						
<b>Business, Enterprise and Commercial Services</b>						
Commercial Services	8	-3	0	5	5.0	100%
Housing Services	10	-10	0	0	0.0	0%
Shire Services	15	-15	0	0	0.0	0%
Strategic Asset Services	13	-10	0	3	1.4	47%
	<b>46</b>	<b>-38</b>	<b>0</b>	<b>8</b>	<b>6.4</b>	<b>80%</b>
<b>Economic Development</b>						
Business Growth and Investment	19	-19	8	8	0.0	0%
Development Management	8	0	0	8	8.4	105%
Planning & Corporate Policy	8	7	0	15	9.7	65%
Project Development	15	-15	0	0	0.0	0%
	<b>50</b>	<b>-27</b>	<b>8</b>	<b>31</b>	<b>18.1</b>	<b>58%</b>
<b>Infrastructure and Communities</b>						
Highways	95	-21	15	89	69.4	78%
Library Services	6	-6	0	0	0.0	0%
Public Transport	12	0	0	12	10.8	90%
	<b>113</b>	<b>-27</b>	<b>15</b>	<b>101</b>	<b>80.2</b>	<b>79%</b>
<b>Culture and Heritage</b>						
Theatre Severn and OMH	8	-6	1	3	3.4	113%
Leisure Services	0	1	0	1	1.1	110%
Visitor Economy	4	-4	0	0	0.0	0%
	<b>12</b>	<b>-9</b>	<b>1</b>	<b>4</b>	<b>4.5</b>	<b>113%</b>
<b>PLACE AND ENTERPRISE</b>	<b>221</b>	<b>-101</b>	<b>24</b>	<b>144</b>	<b>109.2</b>	<b>76%</b>

	Original Plan Days	Sept. Revision	Nov. Revision	Revised Plan Days	15th November 2020 Actual	% Revised Plan
<b>CHILDREN'S SERVICES</b>						
<b>Safeguarding</b>						
Assessment & Looked After Children	15	-15	0	0	0.0	0%
Children's Placement Services & Joint Adoption	49	-40	0	9	1.9	21%
Safeguarding	20	-4	0	16	9.5	59%
	<b>84</b>	<b>-59</b>	<b>0</b>	<b>25</b>	<b>11.4</b>	<b>46%</b>
<b>Learning and Skills</b>						
Business Support	31	-24	0	7	3.1	44%
Education Improvements	7	0	0	7	2.6	37%
Primary/Special Schools	116	-95	0	21	0.5	2%
Secondary Schools	10	-5	0	5	0.0	0%
	<b>164</b>	<b>-124</b>	<b>0</b>	<b>40</b>	<b>6.2</b>	<b>16%</b>
<b>CHILDREN'S SERVICES</b>	<b>248</b>	<b>-183</b>	<b>0</b>	<b>65</b>	<b>17.6</b>	<b>27%</b>
<b>Total Shropshire Council Planned Work</b>	<b>1,484</b>	<b>-643</b>	<b>10</b>	<b>851</b>	<b>457.8</b>	<b>54%</b>
<b>CONTINGENCIES</b>						
Advisory Contingency	60	-34	0	26	15.2	58%
Fraud Contingency	200	-75	0	125	57.0	46%
Unplanned Audit Contingency	50	-50	0	0	0.0	0%
Other non audit Chargeable Work	272	652	-5	919	725.8	79%
<b>CONTINGENCIES</b>	<b>582</b>	<b>493</b>	<b>-5</b>	<b>1,070</b>	<b>798.0</b>	<b>75%</b>
<b>Total for Shropshire</b>	<b>2,066</b>	<b>-150</b>	<b>5</b>	<b>1,921</b>	<b>1,255.8</b>	<b>65%</b>
<b>EXTERNAL CLIENTS</b>	<b>171</b>	<b>70</b>	<b>-3</b>	<b>238</b>	<b>93.2</b>	<b>39%</b>
<b>Total Chargeable</b>	<b>2,237</b>	<b>-80</b>	<b>2</b>	<b>2,159</b>	<b>1,349.0</b>	<b>62%</b>