

APPENDIX 3 – FOLLOW UP OUTCOMES

2018-19 Internal Audit Annual Report Audit Committee 2nd September 2019

Introduction This appendix gives details of the results of follow up of recommendations. It provides Members with an indication of the level of implementation of audit recommendations by management. This demonstrates how well the initial audit delivered a value adding output as well as how successful management have been in mitigating the identified risk exposure.

1.1 CORPORATE / CROSS CUTTING

Number	Audit title	Indicative scope	Audit status and assurance rating 2017-18	2018-19 Follow Up Outcomes – July 2019
FWU18_1	Health & Safety *	Deferred from 2016-17. To undertake a deep dive into one health and safety area across the Council.	Management letter	Follow-up due to commence late August 2019.
FWU18_2	IR35	Review of the impact of the new IR35 regulation. To include tax and service delivery risks to the Council.	Completed. Limited assurance.	Follow up completed. A good rate of implementation was noted. The audit originally attracted a 'limited' assurance rating. While a full audit would need to be undertaken to revise the assurance rating, the good rate of implementation of recommendations and positive action taken by management in response to the original report, suggests that the control environment (in relation to the specific areas covered by the

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				follow up), has improved and is indicative of 'moderate' assurance.
FWU18_3	Income Generation	Cross Council review of Income Generation strategies.	Completed. Management letter issued.	n/a – no recommendations were raised in the original review.
FWU18_4	Contract Management	To assess organisational oversight of third party delivery.	Completed. Limited assurance.	Follow-up completed as part the 2018-19 'Procurement' review. See Appendix 1 (FR18-4).
FWU18_6	General Data Protection Regulation	Ongoing monitoring of council's preparation for the implementation of GDPR	Completed. Management letter issued.	Follow up completed. A good rate of implementation was noted.
FWU18_33	Gift & Hospitality and Declarations of Interest	Review the control processes in place to maintain and monitor the receipt of gifts and hospitality and declarations of interest for officers and members	Completed. Separate reports were issued for Employees and Members. Employees: Limited assurance. Members: A separate management letter was issued.	Follow-up in progress. Anticipated completion end August 2019.

1.2 RESOURCES

Ref	Audit title	Indicative scope	Audit status and assurance rating 2017-18	Follow Up Outcomes
FWU18_8	Purchase cards	Review of key controls in place surrounding Purchase cards and the arrangements for monitoring transactions.	Completed. Limited assurance.	Initial follow-up completed. Additional follow-up scheduled for August 2019.
FWU18_9	Continuous Auditing/Key Financial Systems	Key controls review focussed on five key financial systems; Council Tax and NNDR, Parking, Treasury Management, Cash Management, and Accounts Payable.	Completed. Limited assurance for two systems.	Follow up completed as part of 2018-19 CAM work. A good rate of implementation was noted.

1.3 CHILDREN'S SERVICES

Ref	Audit title	Indicative scope	Audit status and assurance rating 2017-18	Follow Up Outcomes
FWU18_11	SEN Transport	Cross cutting review with E&R, to review the impact of increasing costs and demographic issues on service delivery as well as	Completed. Management letter issued.	Follow up scheduled to be undertaken alongside 2019-20 review of High Needs/SEN Placements, currently scheduled for Q3 2019-20.

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		arrangements for ensuring ongoing viability.		
CS17_4	Foster Care Payments	Extended follow up of 2016/17 audit; to include adoption and guardianship payments.	Completed. Limited assurance rating.	<p>Follow-up completed. Progress noted towards implementation of recommendations, and revised actions and targets dates agreed with management for actions that remained outstanding.</p> <p>2018-19 Continuous Audit Monitoring (CAM) work also included testing surrounding Softbox (system used to process payments) and provided opinion of 'Moderate assurance'.</p>
FWU18_16	Arts and Media School Islington	Internal audits of schools on a cyclical basis.	Completed. No assurance.	<p>Follow-up completed, a good rate of implementation was noted.</p> <p>The audit originally attracted a 'no' assurance rating. While a full audit would need to be undertaken to revise the assurance rating, the good rate of implementation of recommendations and positive action taken by management in response to the original report, suggests that the control environment (in relation to the specific areas covered by the follow up), has improved and is indicative of 'limited' assurance.</p>

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FWU18_15	Hargrave Park Primary School	Internal audits of schools on a cyclical basis.	Completed. Limited assurance.	<p>Follow-up completed, a good rate of implementation was noted.</p> <p>This audit originally attracted a 'limited' assurance rating. While a full audit would need to be undertaken to revise the assurance rating, the good rate of implementation of recommendations and positive action taken by management in response to the original report, suggests that the control environment (in relation to the specific areas covered by the follow up), has improved and is indicative of 'moderate' assurance.</p>
FWU18_17	Drayton Park Primary School	Internal audits of schools on a cyclical basis.	Completed. Moderate assurance.	Follow up in progress, anticipated completion September 2019.
FU18_14	St Jude and St Paul's Primary School	Internal audits of schools on a cyclical basis.	Completed. Limited assurance.	Follow up in progress, anticipated completion September 2019.

1.4 ENVIRONMENT AND REGENERATION

Ref	Audit title	Indicative scope	Audit status and assurance rating 2017-18	Follow Up Outcomes
FU18_21	Cottage Road Depot	To review procurement and contract management processes to ensure practices are in line with Council policies. To include an assessment of the oversight of practices.	Completed. Limited assurance.	<p>Follow-up completed, a good rate of implementation was noted.</p> <p>This audit originally attracted a 'limited' assurance rating. While a full audit would need to be undertaken to revise the assurance rating, the good rate of implementation of recommendations and positive action taken by management in response to the original report, suggests that the control environment (in relation to the specific areas covered by the follow up), has improved.</p>

1.5 HOUSING AND ADULTS SOCIAL SERVICES

Ref	Audit title	Audit Indicative Scope	Audit status and assurance rating 2017-18	Follow Up Outcomes
FWU18_24	VCS Organisation – One True Voice	Review of activities undertaken by Third Sector Organisation in the borough.	Completed. Management letter issued.	Follow-up not required. Control/risk advice provided to the voluntary sector organisation via management letter.
FWU18_26	Hornsey Lane TMO	Key controls review.	Completed. assurance. No	Follow up in progress
FWU18_29	Stafford Cripps TMO	Key controls review.	Completed. assurance. Limited	Follow up scheduled to be undertaken in Q3 2019-20.
FWU18_27	Charteris TMO	Key controls review.	Completed. assurance. No	<p>Follow-up completed, a good rate of implementation was noted.</p> <p>The audit originally attracted a ‘no’ assurance rating. While a full audit would need to be undertaken to revise the assurance rating, the good rate of implementation of recommendations and positive action taken by management in response to the original report, suggests that the control environment (in relation to the specific areas covered by the follow up), has improved and is indicative of ‘limited’ assurance.</p>

Ref	Audit title	Audit Indicative Scope	Audit status and assurance rating 2017-18	Follow Up Outcomes
FWU18_28	Half Moon TMO	Key controls review.	In draft report stage, awaiting finalisation of management responses.	Follow up scheduled to be undertaken in Q3 2019-20.

APPENDIX ENDS