



Name of meeting: Corporate Governance & Audit Committee
Date: 21st April 2017

Title of report: Annual Report of Internal Audit 2016/17 & issues for 2017/18

Purpose of report; To provide information about Internal Audit activity, and conclusions on the control environment and assurance provided in 2016/17, and on matters that relate to Internal Audit activity in 2017/18

| | |
|---|----------------|
| Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards? | Not applicable |
| Key Decision - Is it in the Council's Forward Plan (key decisions and private reports) ? | Not applicable |
| The Decision - Is it eligible for "call in" by Scrutiny? | Not applicable |
| Date signed off by Director & name Is it also signed off by the Service Director for Finance, IT & Transactional Services? Is it also signed off by the Service Director for Legal Governance and Monitoring? | Not applicable |
| Cabinet member portfolio | Not applicable |

Electoral wards affected: All
Ward councillors consulted: Not applicable

Public

1. Summary

- 1.1 To provide information about Internal Audit activity in the year to 31st March 2017.
- 1.2 To provide an “opinion” on the adequacy and effectiveness of the Council’s framework of governance, risk management and control.
- 1.3 To indicate compliance with the requirements of the Public Sector Internal Audit Standards(PSIAS).
- 1.4 To provide an Audit Plan for 2017/18 and to indicate priorities for the year.

2. Information required to take a decision

- 2.1 The opinion is that the overall framework of the Council's financial and business control systems, processes and its management of assets is sufficiently sound to provide an adequate control environment.
- 2.2 There are however a number of observations and qualifications which are highlighted in the report which should be addressed.
- 2.3 This Committee also needs to review, and indicate that it is content as regards, the effectiveness of its systems of internal control.
- 2.4 The attached report contains material intended to assist the Committee in reaching a decision.

3. Implications for the Council

- 3.1 Early Intervention and Prevention (EIP) -None directly
- 3.2 Economic Resilience (ER) -None directly
- 3.3 Improving Outcomes for Children -None directly
- 3.4 Reducing demand of services -None directly
- 3.5 Although each of the sub categorisations above suggest no direct implications, the work of internal audit covers all aspects of the councils operations, including elements of the above, either specifically, indirectly or on a commissioned basis.
- 3.6 The report sets out information about control assurance in the broad activity areas related to the above.
- 3.7 The report also refers to financial and legal implications for the Council, including the level of resources available for Internal Audit

4. Consultees and their opinions

- 4.1 Not applicable.

5. Next steps

- 5.1 This report informs the preparation of the Annual Governance Statement.
- 5.2 Audit activity in 2017/18 will concentrate on major areas of risk and control, and will involve trying to establish if stronger elements of assurance would be useful in key risk areas.

6. Officer recommendations and reasons

The Committee is asked for the reasons set out in the report to:

- (a) confirm it is content with the effectiveness of its internal audit function, and to note its conformance with Public Sector Internal Audit Standards.
- (b) confirm it is content with the effectiveness of the broader control environment, risk management and governance arrangements of the Council (subject to the observations contained within the report)
- (c) note the report and consider if further action is sought on any matter identified.
- (d) note the requirement that the external evaluation of Internal Audit needs to be carried out in 2017/18, and a future report will address proposed arrangements.

7. Cabinet portfolio holder recommendation

7.1 Not applicable.

8. Contact officer

Martin Dearnley, Head of Audit & Risk 01484 221000 (73672)

9. Background Papers and History of Decisions

The Annual Report is attached.
Background papers –
Annual Report of Internal Audit 2016/17.

10. Assistant Director responsible

Not applicable.

KIRKLEES COUNCIL

FINANCIAL MANAGEMENT, RISK, IT & PERFORMANCE SERVICE

INTERNAL AUDIT

ANNUAL REPORT OF INTERNAL AUDIT 2016/17 & ISSUES FOR 2017/18

1. Introduction

- 1.1 This report assesses the adequacy and effectiveness of the Council's internal control environment, risk management and governance arrangements during 2016/17 and provides a summary of the activities and performance of Internal Audit during the year. The resource availability, Draft Audit Plan for 2017/18, and Internal Audit Strategy and Charter for 2017/18 were discussed at the meeting of this Committee on 10th March 2017, but this report contains some commentary about issues that require consideration in 2017/18.

2. About Internal Audit

- 2.1 The scope of Internal Audit's activity is established by the Council's Financial Procedure Rules and the Internal Audit Strategy and Charter. These rules include a right for internal audit to have free and unrestricted access to carry out work as is considered by the Head of Audit and Risk to be appropriate.
- 2.2 Internal Audit reviews the Council's framework of business systems and controls, although the majority of time is spent assessing arrangements for financial control. Time is also spent investigating allegations that the Council's business activities may not be operating in the ways intended and on work related to business process re-engineering, contracting strategy and contractor appraisals, to a fairly limited extent value for money, and resolving a range of finance and control related issues (the most significant of which are reported in our quarterly reports). Whilst Internal Audit work can provide some assurance about business processes, it is not resourced in a way to assess professional judgement (see 3.10, 6.2(b) of this report)
- 2.3 Quarterly Reports on the activities of Internal Audit have been provided to the Corporate Governance and Audit Committee. These reports provide information about major and special investigations and an opinion about the level of assurance that can be taken from the arrangements in operation at the time of each audit ("substantial", "adequate", "limited" and "no" assurance) assessing systems, processes and establishments, locations and schools.
- 2.4 A matrix is used to identify the assurance opinion, based on the number of recommendations that are "fundamental", "significant", or are considered to "merit attention". Implementation of the agreed recommendations should provide a satisfactory degree of control in all cases. Information on follow up of earlier internal audit work is also provided.

3. Summary of Audit Work in 2016/17

3.1 The overall proportion of work which identified that systems or operations provided "limited assurance" or "no assurance" was 19%. This was an improvement on the previous year, but there were 3 "no assurance" outcomes; two from schools, and one from a minor operational facility. There were some areas of significant operation that achieved only limited assurance, suggesting that whilst there is some overall improvement, there is still a need to ensure that some of the core operational processes are at least of an acceptable standard. Three of the core business systems had some need for improvement. This continues to include concerns aspects of failure in relation to debtor collections.

| | 2016/17 | 2015/16 | 2014/15 | 2013/14 | 2012/13 |
|--|--|-------------------------------------|---------------------------------|----------------------------------|----------------------------------|
| Days spent on audit work | 1,372 | 1,745 | 1,844 | 2,083 | 2,194 |
| Financial and business processes and systems examined | 54 | 80 | 67 | 87 | 51 |
| Location, establishment, schools audits undertaken. | 48 | 55 | 70 | 79 | 77 |
| Follow up audit work | 19 | 18 | 13 | 21 | 13 |
| Investigations into irregularity | 5 | 6 | 8 | 10 | 19 |
| Management, governance or value for money studies Grant audits, consultancy, projects | 26 | 10 | 8 | 10 | 9 |
| Completed formal tasks | 152 | 169 | 166 | 207 | 169 |
| Overall proportion of work offering limited or no assurance ("unsatisfactory" in 2014/15 and earlier) | 19% 17% limited assurance 2% no assurance | 24% all limited assurance | 8% All unsatisfactory | 14% All unsatisfactory | 19% All unsatisfactory |

See also Appendix 6

- 3.2 Six of the 34 school audits provided inadequate assurance, (better than the previous year) although 2 of these were deemed to offer "no assurance" (largely down to poor involvement of governors in financial management, and respectively a major deficit, and poor administration)
- 3.3 There was some improvement in the number of areas subject to follow up that were still not offering at least adequate assurance. This applied to 21% (33% in the previous year).
- 3.4 Each year there are a number of investigations that relate to matters principally of alleged financial irregularity, some reported by management, others by various forms of allegation or whistle-blowing. This year, there have been four. In one case an employee resigned (having repaid the money, she also received a police caution), in the second, the employee resigned during the investigation, albeit this revealed unusual spending patterns, (some of which it would seem

had been authorised or accepted by managers who had also left); in the third the employee concerned had not done anything wrong, albeit certain arrangements are being considered for change, and in the fourth, disciplinary actions were not pursued, but the employee suspected has been relocated to other duties, and the recorded discrepancies have it seems reduced.

3.5 Audit time has also been spent on:

- Support to Governance and control arrangements generally
- The Annual Governance Statement
- Information governance and review using the “IG toolkit”
- Monitoring and updating Contract Procedure Rules (CPRs) and Financial Procedure Rules (FPRs)
- Financial appraisal and scoring of applicants for contracts, and other aspects of assessing or approving the Council’s contractual arrangements
- National Fraud Initiative
- Forming a part of the Whistleblowing assessment process by carrying out initial assessment of whistleblowing to decide on the extent to which an allegation may have sufficient merit to justify further investigation.
- Verification/certification relating to grants including Stronger Families, and Highways Incentive Funds
- Agency Staffing
- Use of Procurement Cards
- Procurement Processing
- Improving bank reconciliation arrangements
- Support to waste management project
- Assessing write off arrangements/testing proposed debt write-offs.

3.6 During the year a number of audits and projects have looked to support improvements in value for money or governance. These have included:

- Review of training
- Review of Cliffe House
- Bereavement Services
- External residential placements
- Governance of Associated Parties

The report on the Governance of Associated Parties report identified that by being more proactive in establishing the strategy and rationale for participation in companies, the appointment and briefing of directors, involvement of the client role, and understanding where an exit strategy would be appropriate, it should be possible to achieve better outcomes.

3.7 Again, routine audit work has identified a number of procurement related issues during the year and the involvement in monitoring and assistance has recognised others; there are a number of business areas where CPR compliance has been compromised. Whilst this has not been accompanied by any evidence of fraud or corruption, it does suggest that proper and simple policies and procedures are not being followed as a matter of routine.

- 3.8 Whilst the Council has an approved set of risk management processes, these have been followed only in part during the year. Whilst the Council has a valid list of strategic generic risks (that would apply to many large local authorities), it does not have a mechanism that routinely and effectively escalates project and event risks, particularly those that have a potential to crystallise. Whilst this does not impact on the risk based audit programme, it does potentially impact on the way in which the council chooses to direct its resources effectively to achieve desired outcomes.
- 3.10 Although the Council used a risk based audit plan in achieving the coverage of business and activity areas, on which this opinion is based, the assurance framework delivered by internal audit is not comprehensive. Whilst coverage of financial and (commercial) business process and governance is risk based, in particular it does not assess the areas that involve professional judgement, particularly in relation to care related services, and some other assessments that relate to individual needs.
- 3.11 Internal audit work was undertaken on behalf of Kirklees Neighbourhood Housing (a wholly owned Council subsidiary) as agreed with their own Audit Committee and management. This is in addition to that for the Council concerning the income and expenditure relating to the Housing Revenue Account. The KNH Audit Committee considers internal audit work in relation to its operation of the HRA and the company. Arrangements by KNH provide adequate assurance. Appendix 1 provides a schedule of work and outcomes for this area of activity.
- 3.12 Work continues to be performed for Kirklees Active Leisure, partially under contract to that organisation and partly as a part of client side monitoring. Outcomes are reported to KALs own Audit Committee
- 3.13 During 2016/17 we have continued to work on a shared basis with Calderdale Council's internal audit team. This has been about sharing information, audit programmes, knowledge and reports, with some useful findings about comparability and difference.
- 3.14 The intention had been to complete 174 planned tasks (last year 169 actual). It was identified during the summer that due to staff turnover, and resources spent on other than planned audit work (see above) it was unlikely to be sustainable to achieve this level of activity, and in November 2016 the Corporate Governance & Audit Committee approved a revised Audit Plan reducing the number of planned tasks to 140. The number of planned tasks achieved was 126,(90%) in addition to which 15 formal unplanned tasks were completed.
- 3.15 There was 1 planned piece of work in progress at the year end and a number of investigations continue and will be reported in 2017/18.
- 3.16 As noted in 2.1 the Council's Financial Procedure Rules and the Strategy and Charter document allow Internal Audit unrestricted access to consider areas of activity as they see fit in providing this audit opinion. At no point during the year has any officer or Member sought to influence or restrict the scope or areas of

activity of any piece of work. The conclusions reached in the work are those of Internal Audit.

- 3.17 From work during 2016/17 the vast majority of the Council’s financial and business controls that were examined were sound and effective, and we conclude that (subject to the observations above) the Council can be considered to have an adequate control environment.

4. Performance Measures of Internal Audit

- 4.1 There is very little comparative benchmarking available about the costs of Internal Audit. When this was last compared (2013/14) we continued to have average costs per activity day, and lower quartile costs in terms of audit days per £m gross expenditure. During 2016/17 the net cost of Internal Audit was just £470,000, (6% below the previous year)

- 4.2 The main performance statistics for the year are:

| | Target 16/17 | Actual 16/17 | Actual 15/16 | Actual 14/15 | Actual 13/14 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Work completed within time allowed | 80% | 87% | 77% | 81% | 79% |
| Draft reports issued within 10 days | 85% | 90% | 91% | 90% | 92% |

Whilst we continued to collect information from direct auditees (all of which were deemed to show clients were satisfied against the criteria used) (40 responses, mainly from schools) the practice of asking for responses from the management client on a per audit basis was replaced with an attempt at Assistant Director – service wide- engagements. However, this also attracted a poor response, so this will need to be reconsidered in 2017/18.

5 Effectiveness of the system of Internal Control

- 5.1 The Accounts & Audit Regulations (England) 2015 require an Authority to conduct an annual review of the effectiveness of their system of internal control. An understanding of the arrangements of Internal Audit supports the ability to utilize the opinion of the Head of Internal Audit on the internal control environment as a key source of evidence in the Annual Governance Statement.

- 5.2 Financial Procedure Rules require the Director of Resources (Service Director for Finance, IT & Transactional Services now) to review the systems of internal audit.

The Public Sector Internal Audit Standards(PSIAS) make it a responsibility of the Head of Internal Audit to carry out periodic internal reviews and every 5 years have an external review of the internal audit function (to take place in 2017/8- see 6.6) and report these to this Committee. The standard is complex

and the recommended evaluation criteria (as codified by CIPFA) are quite cumbersome, and some are difficult to evaluate.

- 5.3 An independent internal review against the PSIAS requirements was carried out in March 2014, and a strategic internal review in 2015. A strategic review against the CIPFA criteria was carried out in April 2016 by the Head of Audit & Risk. A brief assessment against the standard for 2016/17 has also been undertaken as a part of the periodic review process, but a more detailed self-assessment against the criteria will be necessary as a part of the forthcoming external review. (see 6.6). Issues for potential improvement are identified in Appendix 2. Subject to these matters there are no evident matters of non-conformance that need to be reported.

Members can gain some assurance from this review, and form their opinion from a number of routes and strands including their assessment of this and other reports (particularly the four quarterly reports) to the Corporate Governance & Audit Committee.

They can also gain assurance using factors such as performance indicators, quality assurance, client satisfaction and consultation with senior management; although it is acknowledged that for this year that information is quite limited. (These are listed in more detail at Appendix 3)

6. **Internal Audit in 2017/18**

- 6.1 Recognising a significant reduction in resources available for Internal Audit (reflecting the Councils financial position) , this Committee agreed a new approach to Internal Audit, and approved an Audit Plan for 2017/18 at its meeting in March 2017. The approach looks to use a (fairly simple but) dynamic approach to risk assessment ensuring that the highest risk areas are assessed each year (without repeating those items that have been subject to a positive assessment in previous years). There will be no Service specific audit plans, although operational staff, heads of service and directors will still be expected to participate in audit planning, delivery and response to findings.

A distinct, combined HRA and KNH Audit Plan for 2017/18 has been prepared and agreed by this Committee. Work will be reported as appropriate to the company and the Council and initial responsibility for oversight of implementation will be with the KNH Audit Committee.

- . The performance targets for Internal Audit are at Appendix 4. The schedule of key systems, organisational and business controls is attached as Appendix 5.
- 6.2 Priorities for 2017/18 will include;
- a) Concentrating on high impact activity - high value or high risk, whilst continuing to ensure that the organisation's core systems and its basic financial operations are not compromised during a period of continuing substantial reorganisation and change. Every activity is still potentially in view, but this will no longer be achievable within a 5 year horizon.

- b) Demonstrating the wider assurance environment that operates across the organisation, and determining if additional processes or procedures need to be undertaken and or recorded to achieve a full set of entity control and assurance.
 - c) Work to ensure that a new approach to risk management will balance the identification of strategic, operational and project and event risks. A new formal strategy will be required (for consideration by this Committee), although it is likely that some trial activity will be undertaken to ensure that the process designed achieves an appropriate level of openness, is not over complex
 - d) Activity to ensure basic compliance with processes, particularly in relation to contract procedure rules.
 - e) Carrying out work contributing to the organisational objective of understanding and improving value for money, including assisting with major consulting projects as necessary.
 - f) Identifying an appropriate approach to corporate reporting and investigation of potential fraud and similar, including clear instructions to senior and operational managers about reporting such matters.
- 6.3 The overall resources available to Internal Audit, whilst substantially reduced, are believed to be sufficient in 2017/18. However, the consequence is a reduced level of assurance that can be directly provided, and the organisation needs to consider on a risk based approach, what alternative assurance is desirable and achievable, given the resources available. Whilst the scope will still exist to carry out some investigations and some consultancy tasks, regard needs to be had to the need to achieve sufficient assurance based coverage, as is a requirement of the Public Sector Internal Audit Standards. This may mean that there has to be discussion about additional resources in the event of serious multiple demands for activity.
- 6.4 Internal Audit will continue to work with the Calderdale Internal Audit team. Included in the work plan for 2017/18 is some joint work on procurement, as well as sharing plans, reports and outcomes.
- 6.5 A new Public Sector Internal Audit Standard was issued at the end of March 2017, and took effect from 1st April 2017. There are no major changes, but a few minor matters of detail may necessitate changes to the Strategy and Charter, and the approach to certain task delivery.
- 6.6 The Public Sector Internal Audit Standards requires that every 5 years each internal audit function is subject to an external assessment (in addition to the requirement for periodic internal review mentioned at 5.3 above). The initial 5 year review period ends in March 2018, so an external review of the Kirklees Internal Audit activity needs to take place this year. External assessment can be carried out by any independent competent person. However, peer review is an acceptable approach and most of the South and West Yorkshire (SWY) districts have been working together to carry out peer review, with no charges. A report on the proposal to obtain an external assessment will be brought to a future meeting of this Committee.

7. **Conclusions**

- 7.1 This report has summarised the activities of Internal Audit during 2016/17. Detailed information has been provided to Corporate Governance & Audit Committee during the year.
- 7.2 There is sufficient evidence to demonstrate that the Council's system of internal control is effective and that the opinion of the Head of Audit and Risk on the internal control environment can be relied upon as a key source of evidence in the compilation of the Annual Governance Statement, although there is a caveat, that the assurance coverage is risk based, and not absolute across the entire range of organisational activity.
- 7.3 The proportion of audit work which resulted in an assessment providing at least adequate assurance is 81%. The remaining 19% provides a limited level of assurance (17%) with no assurance in 2% of cases (schools and operational units).
- 7.4 There are no areas where following audit recommendations, management have formally chosen to refuse to implement recommendations for action (and accordingly overtly accepting the potential consequences as a risk).
- 7.5 The opinion from the work performed - the scope of which does not presently cover every area of entity risk - is that, although there are some weaknesses in some systems of control, the overall framework of the Council's business and financial systems, processes, controls, its management of assets, governance arrangements and its risk management arrangement remains sound.
- 7.6 It is concluded that overall the Council has an adequate and effective control environment.

8. **Annual Governance Statement**

- 8.1 Information generated by Internal Audit forms a key part of the Council's assessment of the quality of its organisational and business controls and the degree of assurance that can be placed upon their operational effectiveness. This information is used in preparing the Council's Annual Governance Statement which accompanies the Statement of Accounts.
- 8.2 The positive opinion that the Council's arrangements provide an adequate and effective control environment needs to be considered in the context of the breadth of assurance provided by Internal Audit, and the comments contained in this report. There are a number of areas that might appropriately be escalated to the Annual Statement of Governance and these are covered in the separate report to be considered by this Committee.

Contact Officer

M E Dearnley - Head of Audit & Risk – 01484 221000- x 73672

Appendix 1

TABLE OF ACTIVITY OF INTERNAL AUDIT KNH 2016/17

| Title | Outcome |
|----------------------|-----------------------|
| Customer Relations | Substantial Assurance |
| Staff Wellbeing | Substantial Assurance |
| Equality & Diversity | Adequate Assurance |
| Debtors | Substantial Assurance |
| Creditors | Adequate Assurance |
| Payroll | Substantial Assurance |
| VAT | Limited Assurance |

Reports that relate to the Housing Revenue Account and Building Services in 2016/17 have already been reported to this Committee.

Appendix 2

Recommendations from the (Head of Internal Audit's own) Annual Review of Internal Audit 2016

| | Recommendations | Actions | Date | Progress by 3/17 |
|-------------------|--|--|------------|--|
| 1 | Current arrangements do not routinely collect a full range of stakeholder feedback. They should look to do so on a structured basis (psias3.4) | Explore options to collect feedback information in a structured way (CAE & AuM) | Sept 2016 | Work to try alternative undertaken, but not wholly successful. Further action required |
| 2 | The Audit Plan should be more closely linked to the various organisational risk statements, and the assurance map (4.1) | Complete a strategic assurance plan, and compare with corporate risk matrix, and incumbent risk data (CAE AuM) | Sept 2016 | A new approach to risk and the Council audit plan adopted for 2017/18 |
| 3 | Compliance with document retentions policy should be verified (4.4) | Check this during year, deleting records as necessary (all IA staff) | March 2017 | Partially reviewed, more work needed in 2017/18 |
| 4 | Explore options that to use (information) technology to improve the efficiency and effectiveness | Identify if options to sue technology exist | Dec 2016 | Limited progress |
| From 2015 summary | | | | |
| 5 | Communicating IA outcomes to all stakeholders (especially Cabinet)(4.2) | CAE to circulate report more widely | June 15 | Greater sharing with senior managers (but not Executive Members) now takes place |

Recommendations from the (Head of Internal Audits own) summary Annual Review of Internal Audit - 2017

| | Recommendations | Actions | Date | Progress |
|---|---|--|-----------|----------|
| 1 | It would be appropriate to ensure that IA staff have appropriate skills, needed to address the new more strategic approach to audit.(3.3) | Carry out a simple skills assessment, and determine if there are gaps, and look to meet any training requirement | July 2017 | |
| 2 | Ensure an appropriate devotion of resources to assurance activity (such that the core purpose of IA is not compromised) 4.1 | Active monitoring | Quarterly | |

A more detailed self-assessment will take place during Spring 2017

Appendix 3

INFORMATION TO ASSIST WITH DETERMINATION OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL

The Accounts & Audit Regulations (England) 2015 require Authorities to conduct an annual review of the effectiveness of their system of internal control.

Possible sources of information to assist in this determination as regards internal audit include:

- performance indicators (report section 4.2)
- client satisfaction (report section 4.2)
- quality assurance (report section 4.2)
- consultation with Director of Finance and other Directors
- compliance with the Public Sector Internal Audit Standards.
Internal assessment (report section 5.2 and Appendix 2)

Benchmarking (by CIPFA) for 2014 is available but, as the numbers participating continue to reduce, the value has declined. No participation in 2015, 2016, 2017.

In comparison with our geographical neighbours, pro-rata to size and responsibility (e.g. only 1 of 4 neighbours has a HRA) these teams remain similarly sized, or rather larger, than the current Kirklees operation.

Appendix 4

INTERNAL AUDIT PERFORMANCE TARGETS 2017/18

| <u>Objectives</u> | <u>Performance Measures</u> |
|--|---|
| Achieve planned audit work; as adjusted | 90% of planned priority audits achieved |
| Achieve each planned audit within budgeted time allowed | 80% of planned work achieved within initial time budget |
| Achieve high level of work quality and customer satisfaction | 90% good or better responses to customer questionnaires |
| Delivery of completed audit work | 85% of draft reports issued within 10 days of completion of site work |

Appendix 5

KEY CORPORATE SYSTEMS 2017/18 **Financial Systems & Controls**

Payroll (SAP)
Housing Rents
Debtors (SAP)
Procurement / Creditors (SAP)
Payments for Social Care
School Payments
Treasury Management
Council Tax
NDR
Council Tax Reduction Scheme (residual Benefits)
Internal Recharging - Building Maintenance

Key Organisation & Business Controls

Code of Corporate Governance
CPRs
FPRs
Contract Management
HR Operations
Risk Management
IT Controls
Performance Management Systems
Partnership Governance
Emergency & Business Continuity Planning
Information Security
Health & Safety
Fraud Bribery & Corruption Risk
Whistleblowing

Appendix 6

DETAILED PERFORMANCE STATISTICS FOR 5 YEAR

| | 2016/17 | 2015/16 | 2014/15 | 2013/14 | 2012/13 |
|---|------------|------------|------------|-------------|-------------|
| Number of days spent on audit work | 1,372 | 1,745 | 1,844 | 2,083 | 2,194 |
| Number of processes and systems examined | 42 | 55 | 55 | 67 | 35 |
| Percentage offering limited assurance/ *unsatisfactory. | 19% | 20% | *11% | *9% | *9% |
| Number of location/ establishment audits undertaken. | 14 | 23 | 26 | 36 | 52 |
| Percentage offering limited assurance/ *unsatisfactory. | 21% | 13% | *8% | *14% | *15% |
| Number of school audits undertaken | 34 | 32 | 44 | 43 | 25 |
| Percentage offering limited assurance/ *unsatisfactory. | 18% | 28% | *7% | *7% | *8% |
| Follow up audit work carried out | 19 | 18 | 13 | 21 | 13 |
| Percentage offering limited assurance/ *unsatisfactory. | 21% | 33% | *8% | *5% | *23% |
| Number of business control audits undertaken | 12 | 25 | 12 | 20 | 16 |
| Percentage offering limited assurance/ *unsatisfactory. | 17% | 28% | *0% | *20% | *0% |
| Number of investigations into irregularity | 5 | 6 | 8 | 10 | 19 |
| Number of management, governance or value for money studies | 26 | 2 | 1 | 2 | 3 |
| Number of grant audits, consultancy, projects | | 8 | 7 | 8 | 6 |
| Completed formal tasks | 152 | 169 | 166 | 207 | 169 |
| Overall proportion of work offering limited assurance/ *unsatisfactory | 19% | 24% | *8% | *14% | *19% |

The table below allocated outcomes by the “old” directorate areas. Whilst this is not directly relevant on going, it does highlight areas and aspects of the control environment.

| | | 2016/17 | 2015/16 | 2014/15 | 2013/14 |
|--|-------|----------------|------------|-----------|------------|
| % Limited assurance/no assurance* by directorate(“unsatisfactory” in 2014/15 and earlier) | total | 17%;2%* | 24% | 8% | 14% |
| Resources | | 26% | 21% | 0% | 5% |
| Place | | 13% | 21% | 6% | 17% |
| Community, Transformation & Change | | 33%;33%* | 17% | 33% | 17% |
| Commissioning, Health and Adult Social Care | | 21% | 64% | 13% | 10% |
| Children & Young Peoples Services (& Schools) | | 14%;3%* | 19% | | |

