

Blackburn with Darwen Borough Council



Annual Internal Audit Opinion Report 2017/18

**Audit & Assurance
Finance & Customer Services Department
July 2018**

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SECTION 1 – BACKGROUND

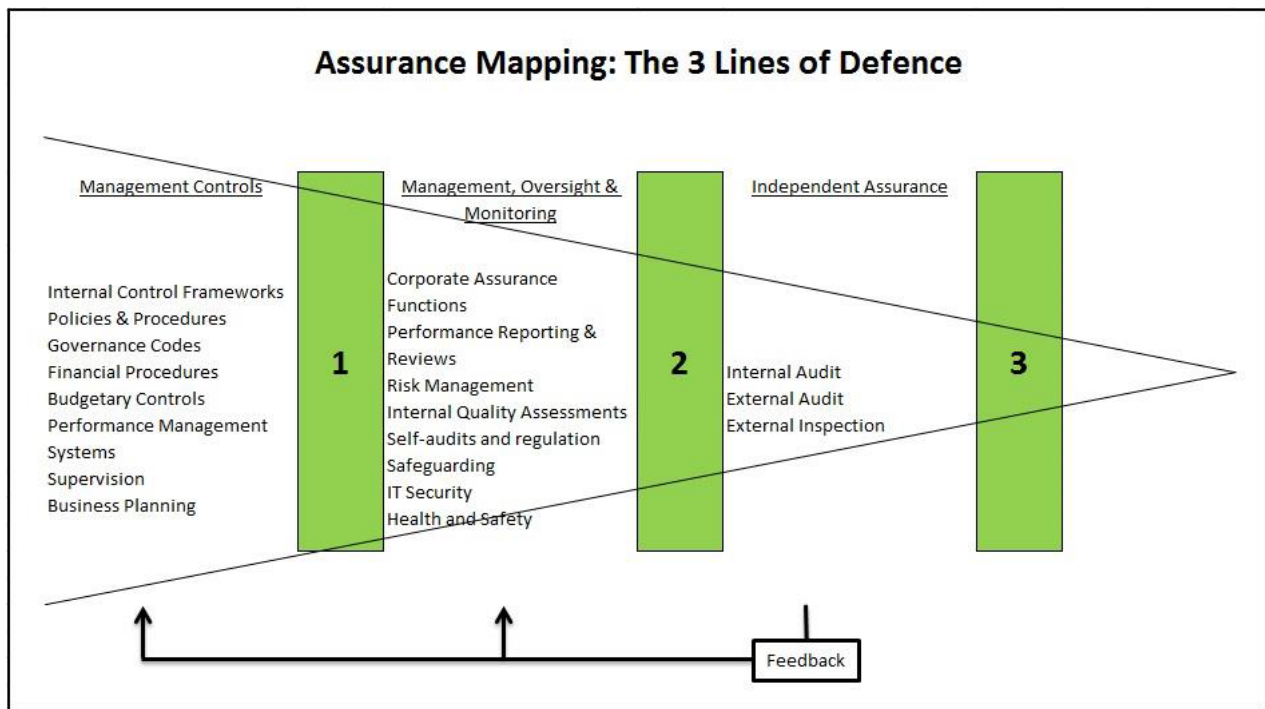
1.1 Introduction

- 1.1.1 This report details the cumulative activities undertaken by the Council's Audit & Assurance (Internal Audit) section of the Finance & Customer Services Department during the period 1 April 2017 to 31 March 2018. It highlights key issues and themes in respect of the Council's risk management, governance and internal control frameworks. The activities undertaken by the section are primarily directed by a risk-based audit plan, which takes into account the Council's organisational objectives and priorities.
- 1.1.2 This report is intended to provide the Audit & Governance Committee with:
- an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control;
 - a summary of the work that supports the opinion;
 - any qualifications to the opinion together with reasons for the qualifications;
 - any impairments or restrictions in scope of the work undertaken;
 - a comparison of the audit work actually undertaken with the work planned, including a summary of its performance and quality assurance;
 - a declaration that work undertaken is in conformance with the Public Sector Internal Audit Standards (PSIAS); and
 - details of any issues particularly relevant to the preparation of the Council's Annual Governance Statement (AGS).
- 1.1.3 This report meets the requirements for Internal Audit to provide an annual internal opinion on the overall adequacy of the Council's framework of governance, risk management and control, as detailed in the PSIAS and demonstrates that the Council is maintaining an adequate and effective system of internal audit as required by the Accounts and Audit (England) Regulations 2015.

1.2 Role of Internal Audit

- 1.2.1 The statutory basis for Internal Audit in local government is the Accounts and Audit (England) Regulations 2015, which state that each 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 audit standards.'*
- 1.2.2 Internal audit work is governed by the PSIAS. The Internal Audit Team has adopted the PSIAS definition of internal audit, which is:
- "Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."*
- 1.2.3 It should be remembered that internal audit is the Council's 'third line of defence in a model where management and management controls represent the first line, with responsibility for directly assessing, controlling and mitigating risks in accordance with the Council's control frameworks and procedures. In-service compliance functions confirming the operation of these controls represents the

second line of defence. Where such 'second line' compliance functions are available, we focus our audit work on assessing the control exerted by them rather than on repeating their work. This model is illustrated in the table below:



1.3 Objectives and Scope of Internal Audit

1.3.1 The objectives and scope of Internal Audit are set out in the Internal Audit Charter. The Charter is reviewed biennially by the Audit & Governance Committee and was re-approved on 11 April 2017. The Charter complies with the requirements of the PSIAS. No changes were identified as being required during 2017/18. The emphasis placed on Internal Audit's role in reviewing areas both financial and non-financial represents the profession's best practice and enables Internal Audit to give an opinion on the adequacy of all of the Council's systems of risk management, control, and governance.

SECTION 2 – INTERNAL AUDIT OPINION

2.1 Arriving at the Opinion

2.1.1 The overall opinion on the Council's systems of risk management, control and governance is based on Internal Audit's assessment of the Council's key management arrangements. This is the framework required to provide management with confidence that the main processes to achieve these business objectives are:

- Adequate and effective for their purpose; and
- Free from material business risk, both financial and non-financial.

2.1.2 In providing our opinion, it should be noted that assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses within these systems.

2.1.3 Our opinion on the systems of risk management, control and governance within the Council has been formulated by giving careful consideration to following:

- Planned work undertaken during 2017/18;
- Unplanned work undertaken during 2017/18;
- Follow ups of audit work undertaken during 2016/17 and 2017/18; and
- Other sources of assurance relevant during 2017/18.

2.2 Work Supporting the Opinion

Planned Work:

2.2.1 The Audit & Governance Committee approved the Audit & Assurance Plan for the year to 31 March 2018 at its meeting on 11 April 2017.

2.2.2 Each Internal Audit report provides two areas of assurance: (i) an opinion on the control environment based on the internal controls identified in place; and (ii) an opinion on compliance regarding the application of those controls. The level of assurance given is derived from the findings and based on the following definitions:

Exhibit 1: Internal Audit Reporting Definitions

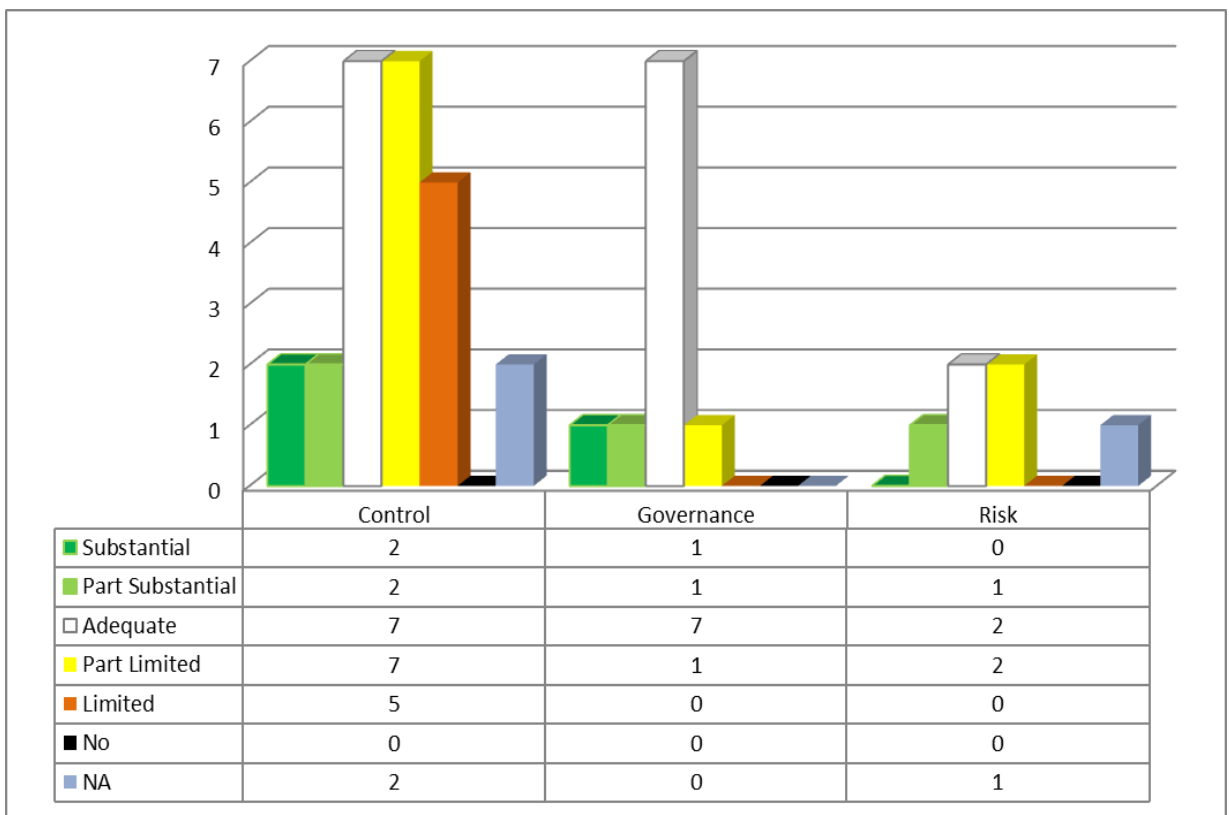
Control Environment Assurance		
	Level	Definition
1	SUBSTANTIAL ASSURANCE	There are minimal control weaknesses which present very low risk to the control environment.
2	ADEQUATE ASSURANCE	There are some control weaknesses which present a medium risk to the control environment.
3	LIMITED ASSURANCE	There are significant control weaknesses which present a high risk to the control environment
4	NO ASSURANCE	There are fundamental control weaknesses which present an unacceptable level of risk to the control environment.
Compliance Assurance		
	Level	Definition
1	SUBSTANTIAL ASSURANCE	The control environment has substantially operated as intended although some minor errors have been detected.
2	ADEQUATE ASSURANCE	The control environment has mainly operated as intended although errors have been detected.

3	LIMITED ASSURANCE	The control environment has not operated as intended. Significant errors have been detected.
4	NO ASSURANCE	The control environment has fundamentally broken down and is open to significant error or abuse.

2.2.3 The assurance levels taken from the audit reports issued and reported to the Audit Committee during 2017/18 across the categories of risk management, internal control and governance are detailed in Appendix 1 attached.

2.2.4 Internal Audit has completed and formally reported upon 41 assignments including 25 internal control assignments, 10 risk related assignments and 6 governance assignments which support our overall opinion on the Council's systems of risk management, governance and internal control. A summary of the assurance levels that support our opinion are as follows:

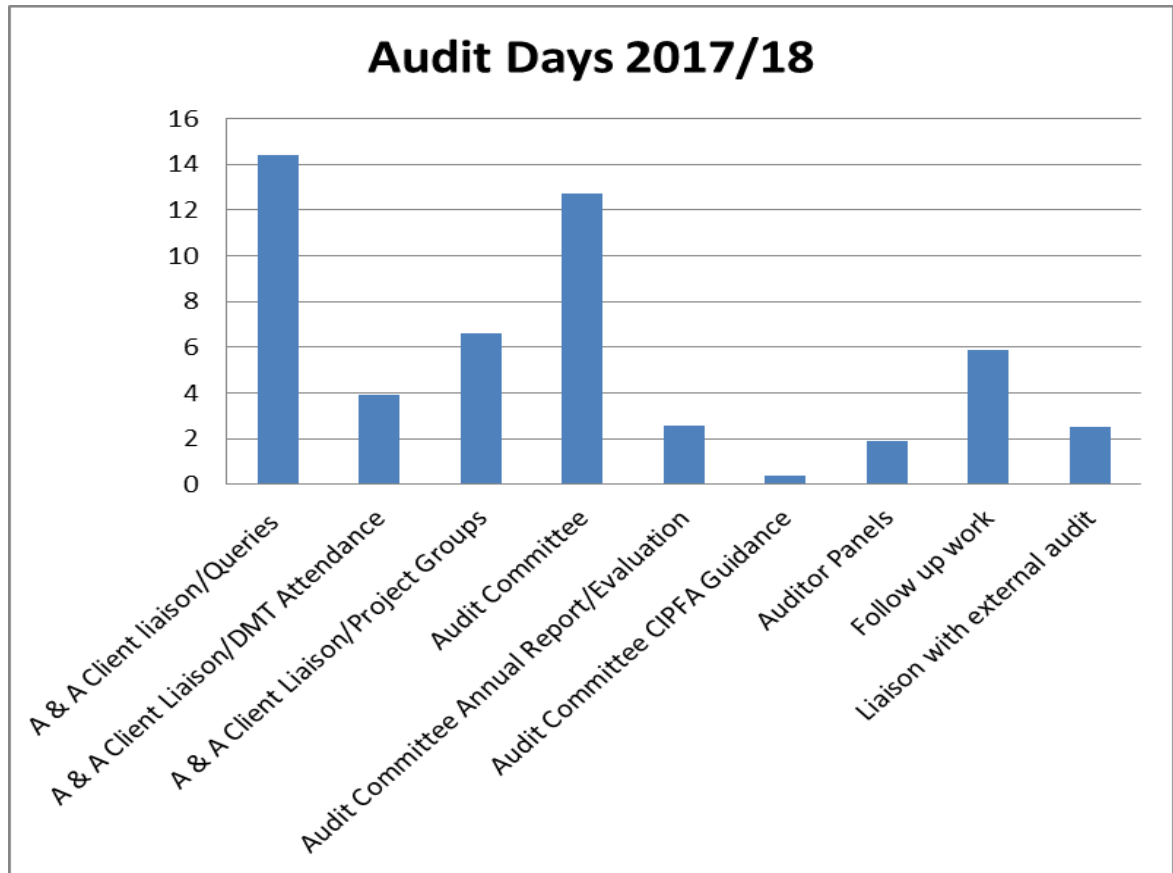
Exhibit 2: Summary of Internal Audit Opinions 2017/18



Other/Unplanned Work:

2.2.5 During the year we have carried out a number of other activities/unplanned audit work and provided advice and assistance to managers, departments and schools on a number of areas. A total of 51 audit days has been spent on these areas as illustrated in the chart on the next page.

Exhibit 3: Summary of Other/Unplanned Work 2017/18



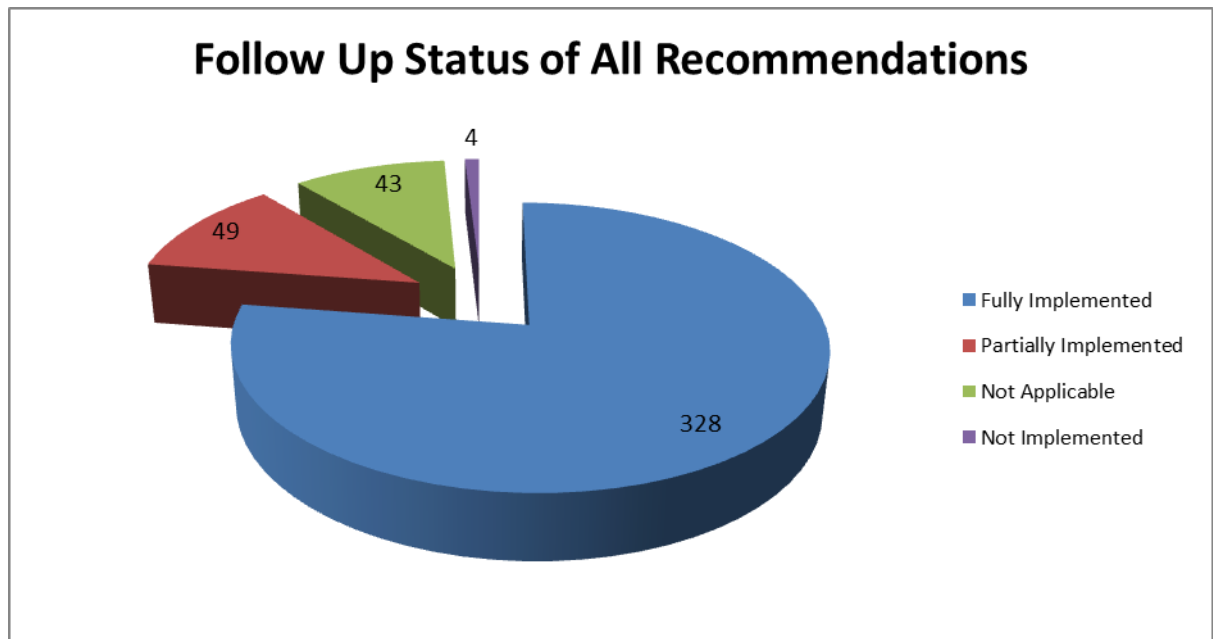
2.2.6 Our other/unplanned work can be categorised as follows:

- Supporting the Audit Committee (13 days);
- Liaison with departments/DMTs, external audit and responding to general requests from managers for advice/guidance (24 days);
- Specific activity on new systems and programmes or other cross cutting working groups and boards (6 days);
- Monitoring the implementation of reported recommendations (6 days); and
- Auditor Panels (2 days).

Follow Ups:

2.2.7 Where we issue a *limited* or *no* assurance report we undertake “standard” follow ups after 3 months. For all other assurance reports we undertake a “standard” follow up after 6 months. In 2017/18 we followed up a total of 424 recommendations, which comprised 117 “Must”, 285 “Should” and 22 “Consider” recommendations. The responses to the follow up reports are summarised in the chart on the next page.

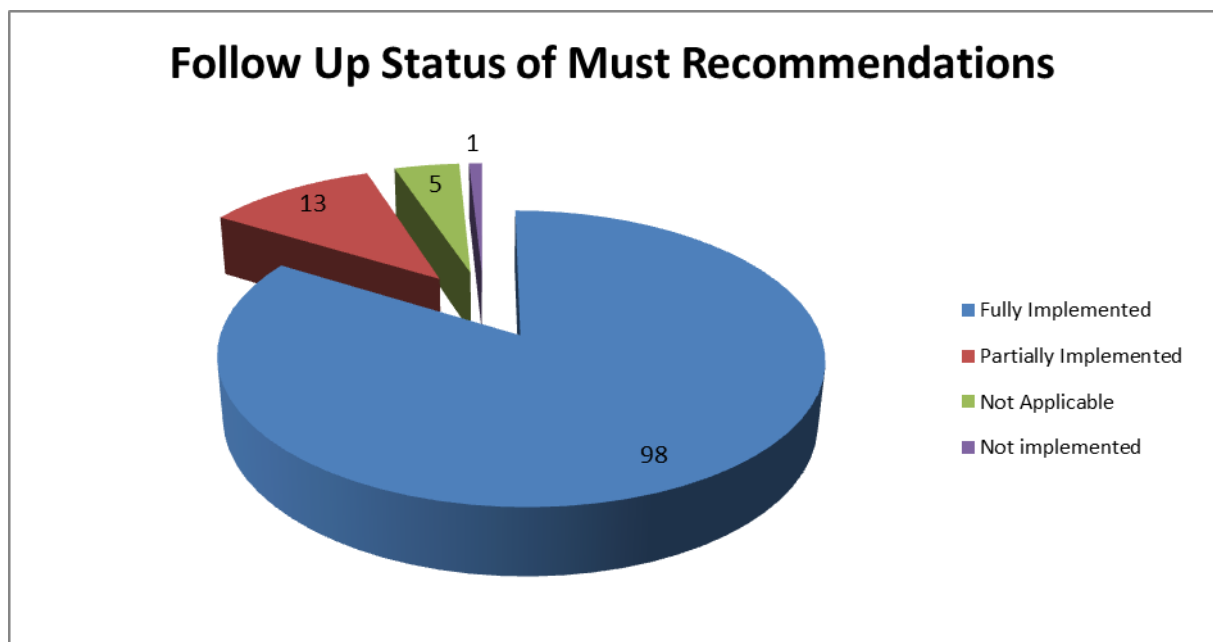
Exhibit 4: Follow Up Status of All Recommendations 2017/18



2.2.8 The non-implemented recommendations were reported to the Audit & Governance Committee during the year. We received appropriate explanations for those recommendations not being implemented within agreed timescales.

2.2.9 Further analysis of the highest priority “must” recommendations has identified that only one recommendation (0.8%) was not implemented. The results of the follow up of agreed recommendations are included in the Audit & Assurance Progress Reports presented to each Audit & Governance Committee meeting for consideration. This includes explanations where of any responses to follow ups undertaken have not received at the time of the report and any recommendations which have not been implemented.

Exhibit 5: Follow Up Status of Must Recommendations 2017/18



2.2.10 Where we have particular concerns about the implementation of recommendations we will undertake further “physical” follow up exercises where documentation will be reviewed and further testing undertaken.

Other Sources of Assurance:

2.2.11 In addition to the internal audit work carried during the year, we have gained assurance on a number of the Council’s processes from other internal and external sources. The sources of assurance include:

- The Council’s Management Accountabilities Framework (MAF) reporting arrangements and challenge process;
- The annual Directors’ assurance certificates;
- The external auditor’s annual audit letter and certification report; and
- The reports from the inspections by Ofsted and the Care Quality Commission of the Council’s services. We also consider relevant school Ofsted inspection reports when carrying out our school visits.

2.2.12 The “red” priority thematic areas of concern from the MAF are reported to the Audit & Governance Committee on a six monthly basis. The reporting of the half year “red” areas did not identify any further challenges from the Audit & Governance Committee. The results of the year end exercise are reported to the July Committee meeting.

2.2.13 All Directors and the Deputy Chief Executive are required to complete a statement of assurance on governance arrangements, including risk management and internal control each year for their areas of responsibility as part of the process to produce the Council’s Annual Governance Statement. Completed statements of assurance were received from all these officers and each confirmed that they were satisfied that “effective governance arrangements are in place, including a sound system of internal control throughout the year ended 31 March 2018 and is ongoing”.

2.2.14 In October 2017 the Council’s external auditors (Grant Thornton) reported: “We gave an unqualified opinion on the Council’s accounts on 25 September 2017”. Following their interim work for 2017/18, Grant Thornton reported to the Audit & Governance Committee in April 2018 that they were able to state that their work “has not identified any weaknesses which impact on our audit approach”. They also noted that their work has not identified any material weaknesses which are likely to adversely impact on the Council’s financial statements. Their testing was on going at the time of the report but they had not identified any concerns they needed to bring to the Committee’s attention at that time.

2.2.15 The External Auditors also completed a high level review of internal audit’s overall arrangements and its work on the Council’s key financial systems. Their work did not identify any issues to bring to the Committee’s attention, or any significant weaknesses impacting on their responsibilities. Overall they concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment.

2.2.16 Following an inspection in September 2017 Ofsted concluded that services for children and young people in Blackburn were good. The report noted that the Director of Children’s services and her senior management team have an accurate view on the strengths and the areas needing further development in the service. Specifically in respect of leadership, management and governance the inspectors commented that the senior management team have focussed well on

improving children's services since the last inspection. This included a framework for social work practice based on recognition of the risks and strengths within families and ensuring the child's voice is at the centre of all decision making.

- 2.2.17 Ofsted judged 75% of local authority residential homes and children's centres as good or outstanding. There are eight judgements relating to children's centres and four for residential homes. Of these, nine have been judged good or better on their most recent inspections, with one, Apples Trees, being outstanding. Two judgements reduced from the previous inspection result.
- 2.2.18 With regards to schools, 80% of learners attend schools judged good or better by Ofsted. Since April 2017, 22 Primary Schools, 6 Secondary schools, 2 Nursery Schools and one Special School in the Borough have been inspected (slightly less than half of all the schools in Blackburn with Darwen). Of these schools, 19 were judged to be good, two were judged outstanding, nine were judged to require improvement to be good; and one was judged inadequate. Six of these judgements represented improvement on the previous inspection outcome for the school, six represented a fall; 15 schools stayed the same as in their previous judgement and three schools had no previous judgement.
- 2.2.19 The impact of the inspection activity is that the proportion of pupils attending schools judged good or better fell to 80% - 7% beneath the national average, and 5% beneath the regional average. This fall stems from a particular concentration by Ofsted during the current academic year on schools felt to be vulnerable on the basis of data analysis. The figure has also been lowered by the inspection of converted academies where the predecessor school had been deemed to be inadequate. Previously, these schools as new schools were not deemed to have a current inspection grade and were therefore not counted in the calculation for the borough as a whole. At inspection all of these successor schools were judged to still require improvement to be good, which in turn lowered the percentage overall for the borough.
- 2.2.20 Having noted all of the above, it is striking that while the overall achievement of Blackburn with Darwen pupils at the end of Primary and Secondary school is relatively strong within the region (& nationally), the inspection grades for local schools lags behind and is less positive.
- 2.2.21 In 2016/17 we participated in the CIPFA risk management benchmarking exercise to self-assess the Council's risk management arrangements. This considered the arrangements in place for seven strands of risk management activity. The results showed that the Council was at the 'working' level (45 -70%) for four of the seven areas and 'embedded and integrated' for three remaining strands (70 – 85%). This compares favourably with the 2015/16 results using the AON Risk maturity tool. This showed that the Council's risk maturity score was 3.5, which equates to a 'defined to operational' level of maturity. This is an increase from the previous risk maturity score of 2.5.
- 2.2.22 Our planned work, other/unplanned work, follow ups and other sources of assurance has not identified any serious concerns in relation to the Council's systems of risk management, control and governance.

2.3 Our Opinion

On the basis of the evidence reviewed, explanations received and the processes reported upon during 2017/18 together with the other sources of assurance available to Internal Audit it is considered that the Council has **adequate** systems of risk management, control and governance, which are being applied to an **adequate** standard.

2.4 Qualifications to the Opinion

2.4.1 In providing the overall opinion consideration is given to the assurance opinions provided during 2017/18 in respect of audits identified in the approved plan as priority 1 risk areas or on functions which have been identified as corporate risks. There is one assurance opinion which should be considered in the context of the overall opinion provided above.

2.4.2 The main qualification to the overall opinion is:

Risk Management:

2.4.3 **Growth Strategy Programme:** The audit assessed the arrangements relating to the Council's growth programme to ensure that it can be delivered to realise its objectives within the agreed timescales/costs and generate the expected level of income/receipts. The review covered the growth model in place during 2016/17. It considered income realisation, cost identification and timeliness of delivery. The final report provided a **limited assurance** opinion for the control environment in place and **adequate assurance** regarding compliance with the controls identified. In particular, the following weaknesses were identified at the time of the audit:

- The model did not include details of revised rateable values for businesses following the 2017 national revaluation exercise or revised income estimates to reflect Government changes to the New Homes Bonus scheme effective from 2017/18;
- Testing showed unrealistic delivery dates for some cases reviewed;
- The model used an arbitrary 'realistic' assessment to determine the probability of successful delivery of each growth project;
- The model did not consider changes to eligibility for small business rate relief from 2017/18 which can affect projected income and was not reviewed against the Business Rates register to ensure that growth projections took account of changes to occupancy or rateable value;
- The model did not make an allowance for the proportion of properties which attract a discount, exemption or Council Tax Support; and
- The model did not include details of any growth income derived from planning applications or Section 106 agreements.

2.4.4 In providing this opinion we acknowledged that management had already identified many areas of improvement, including several of the above and was developing a new forecasting model at the time the report was finalised. This area will be subject to a further review as part of the 2018/19 internal audit plan.

2.5 Impairments/Restrictions in Scope

- 2.5.1 No limitations have been placed on the scope of work carried out by Internal Audit during 2017/18. Audit recommendations have been made based on the findings from each review. These have been discussed and agreed with the managers responsible for each area reviewed. Action plans have been agreed for each audit report issued. Implementation of the recommendations, as per the agreed action plans, is followed up to confirm that the agreed recommendations have been implemented.
- 2.5.2 We are able to confirm that the Head of Audit & Assurance has line management responsibility for other operational areas. Internal auditors had no direct operational responsibility or authority over any of the activities audited in 2017/18. We can therefore confirm the organisational independence of the Internal Audit activity.

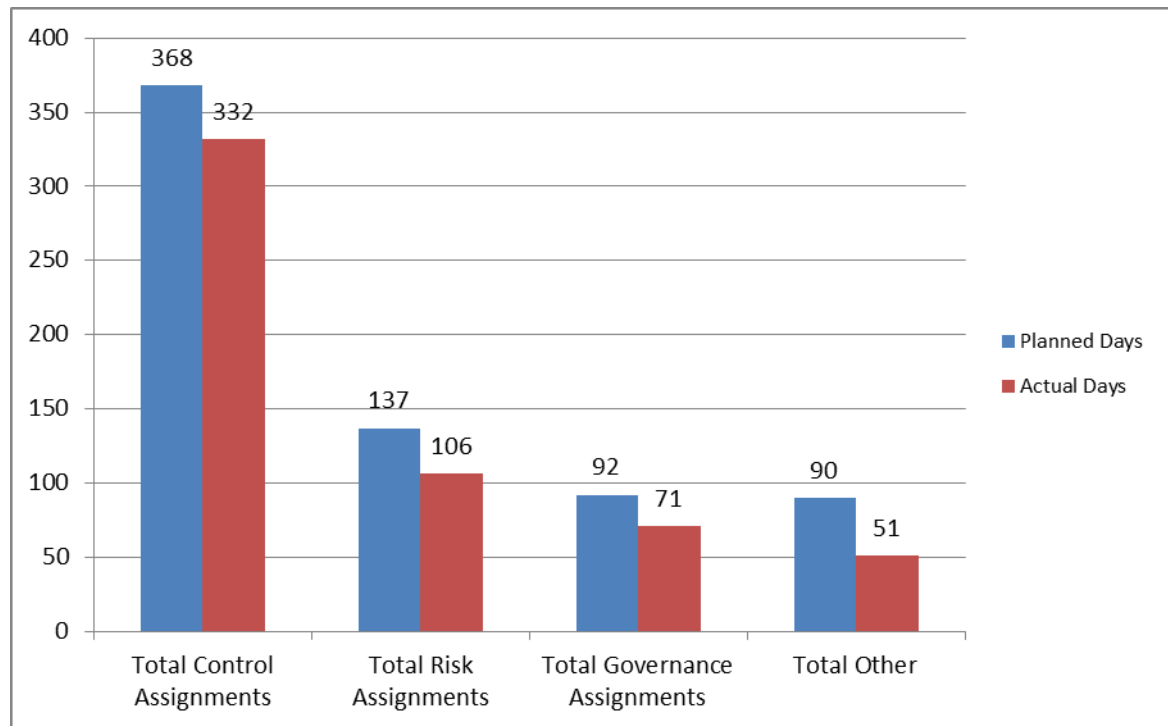
SECTION 3 – INTERNAL AUDIT PERFORMANCE/QUALITY ASSURANCE

3.1 Comparison of Actual and Planned Work

3.1.1 The Audit & Assurance Plan was approved by the Audit Committee on 11 April 2017 and it was then anticipated that Audit & Assurance would have staff resources amounting to 687 days for internal audit assignments.

3.1.2 Internal Audit was able to deliver a total of 560 days (81.5%) against the approved Audit & Assurance Plan of 687 days, which can be summarised as follows:

Exhibit 6: Audit & Assurance Plan Against Actual 2017/18 (Days Achieved)



3.1.3 A revised Audit & Assurance Plan (reduced to an estimated 676 days for internal audit activity) was approved by the Audit Committee on 9 January 2018. This reduction was due to the following resourcing issues:

- the Audit & Assurance Apprentice post being vacant for 6 weeks due to the previous post holder finding permanent job prior to the end of his fixed term contract;
- additional unplanned time being required to carry out investigations into potential fraud or irregularities; and
- extra time in dealing with staffing and recruitment matters within the team.

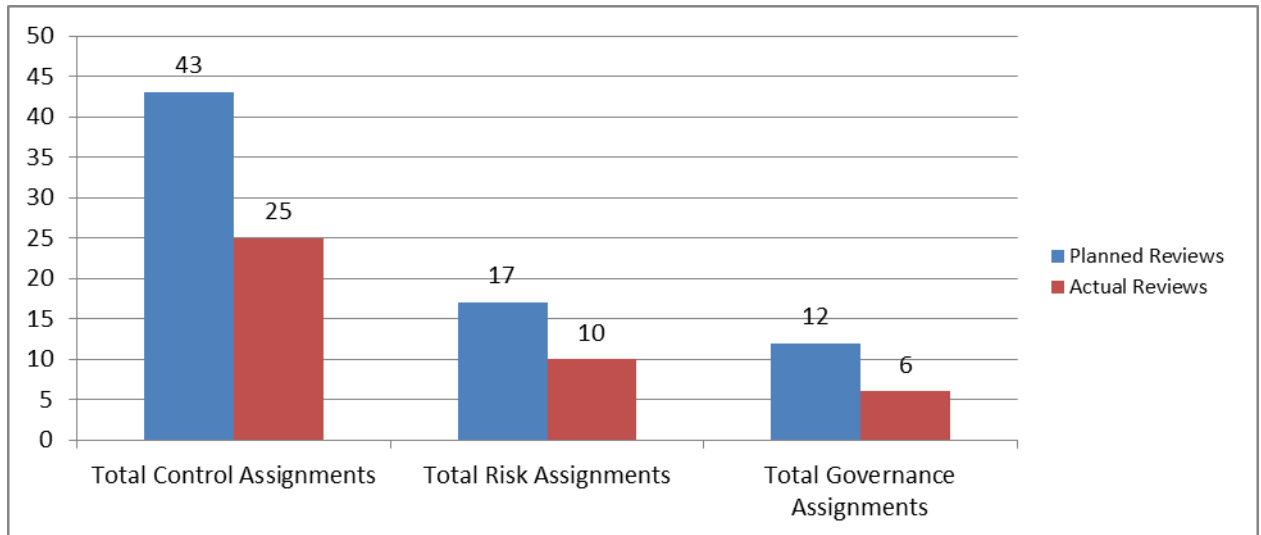
3.1.4 There was a further reduction in the staff resources for the internal audit plan in January as a member of the team was temporarily transferred to the Insurance team to provide cover for staff absence to ensure that the claims management activity operated effectively in order to ensure that the Council was able to defend claims wherever possible and minimise the costs of any successful claims received.

3.1.5 The days achieved against the original and revised Audit & Assurance Plan are considered sufficient to provide an opinion on the effectiveness of risk management, control, and governance processes within the constraints that are being placed upon the Council and Audit & Assurance.

3.2 Key Achievements 2017/18

3.2.1 Despite the 127 days (18.5%) reduction in available assignment audit days Internal Audit was able to deliver sufficient audit assignments to provide its opinion. The following exhibit shows Internal Audit was able to deliver 41 assignments, which is 43% less than those originally planned (72), but in line with the revised plan (47). It should also be noted that 13 planned reviews were in progress at 31 March 2018.

Exhibit 7: Internal Audit Plan Against Actual 2017/18 (Assignments Delivered)



3.2.2 We consider that the volume of audit assignments completed in relation to risk management, control and governance is sufficient to allow us to provide an overall opinion on each of those Council processes.

3.2.3 The Audit & Assurance Plan is prioritised according to the level of risk associated with each audit assignment. A Priority 1 (highest level) assignment is “a strategic risk or fundamental review required to provide a statutory opinion for the Annual Governance Statement”. The 2017/18 Audit & Assurance Plan included nine Priority 1 audit assignments, all of which (100%) have been delivered in 2017/18 or were in progress at the year end. The findings to date, of the priority 1 reviews completed or in progress at the year end, have not identified any significant areas of concern which would impact on the annual overall opinion provided.

3.3 Key Performance Information

3.3.1 The Finance & IT Department’s Business Plan and Audit & Assurance Plan included a number of measures to assess the performance of Internal Audit in terms of its achievement and quality. The actual performance against these targets for 2017/18 (together with the 2016/17 performance) is shown in the following table.

Exhibit 8: Internal Audit Performance 2017/18

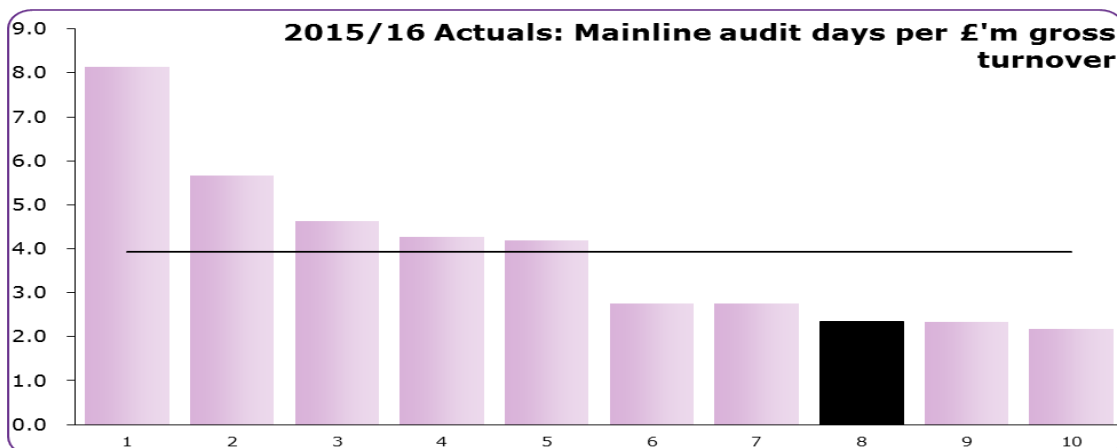
Performance Measure	Target	Actual 2017/18	Actual 2016/17
Delivery of Priority 1 Audits	100%	100%	83%
Planned Audits Completed Within Budget.	90%	71%	61%
Final Reports Issued Within Deadline	90%	95%	95%
Follow Ups Undertaken Within Deadline	90%	82%	64%
Recommendations Implemented	90%	89%	84%
Client Satisfaction	75%	100%	100%
Compliance with PSIAS	95%	99%	99%

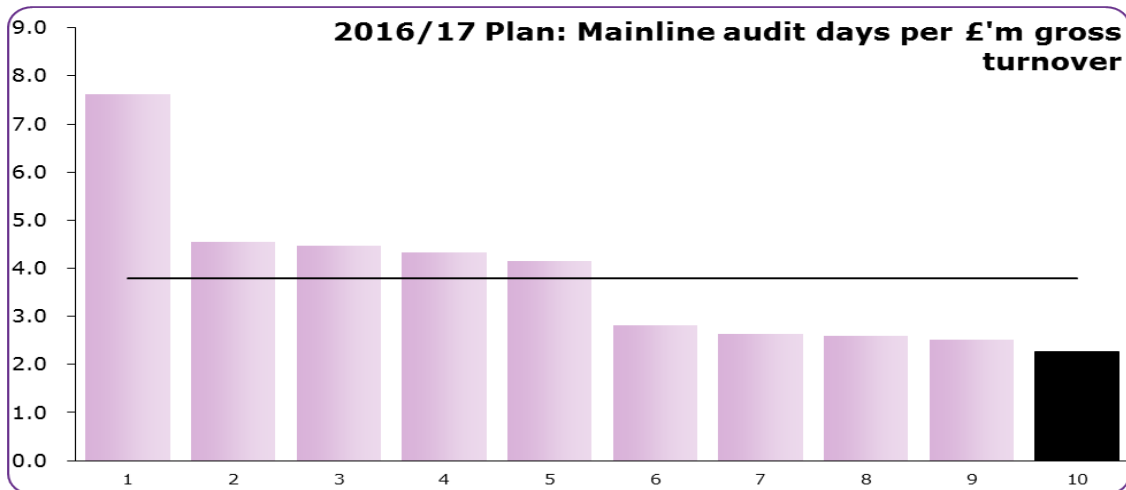
3.3.2 The actual performance against these targets was reported to each Audit Committee meeting during 2017/18. Explanations were also provided where our performance did not meet the expected target.

3.4 Benchmarking

3.4.1 Internal Audit participated in the CIPFA Audit Benchmarking Club for 2016/17. This allowed us to undertake headline comparisons with other participants in the Club and a more detailed analysis of our activity against that of a small number of near comparators.

3.4.2 The results of the exercise were presented to the Audit & Governance Committee as part of the 2016/17 Annual Report. The Council’s internal audit service (shown on the bar charts as the “black bar”) was compared with 9 other near-comparators (based upon Council gross revenue turnover (GRT), service structure and internal audit delivery arrangements). The key benchmark of “mainline audit days per £million of gross turnover” identified the following for 2015/16 (2.4 days compared to an average of 3.9 days) and 2016/17 (2.3 days compared to an average of 3.8 days):





It should be noted that the figures for 2016/17 were prepared on the basis of the planned audit days deliverable per the Audit & Assurance Plan approved on 12 April 2016.

3.5 Quality Assurance

3.5.1 The Quality Assurance & Improvement Programme (QAIP) was presented to the September 2016 Committee meeting. The QAIP covers all aspects of internal audit activity and enables conformance with the PSIAS to be evaluated. A key objective of the QAIP is to assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement. This is achieved through both internal and external assessments. A summary of the QAIP is attached at Appendix 2.

3.5.2 During 2017/18 the Head of Audit & Assurance has had some operational involvement in the ongoing monitoring process as a result of the staffing restructure. This has involved reviewing the work of the Principal Audit & Assurance Officers and quality assuring the final reports of all staff. This allows the Head of Audit & Assurance to maintain a level of independently and objectively review the process to identify opportunities for improvement.

3.6 Statement of Conformance with the Public Sector Internal Audit Standards (PSIAS)

3.6.1 From 1 April 2013 Audit & Assurance has been required to comply with the requirements of the PSIAS. Our assessment is that we comply fully or partially with 330 of the 334 elements (99%) of the Standards. The areas of non-conformance are as follows:

Exhibit 10: PSIAS Non-Conformance 2015/16

Conformance with the Standard	No
1300 Quality Assurance and Improvement Programme	
If the organisation is a 'larger relevant body' in England, does it conduct a review of the effectiveness of its internal audit at least annually, in (accordance with the Accounts and Audit (England) Regulations 2011 section 6(3)?	1#
2450 Overall Opinion	
Does the annual report incorporate the following:	
h) The results of the QAIP?	1*
i) Progress against any improvement plans resulting from the QAIP?	1*

- # The Accounts & Audit Regulations 2015 states that organisations are no longer required to undertake an annual review of effectiveness of internal audit as there is an overriding requirement to undertake an external assessment.
- * Section 3.5 and Appendix 2 of this report demonstrates the implementation of these actions.

3.6.2 This analysis shows that the Council’s Internal Audit function is generally in conformance with the PSIAS. Furthermore, the results of the PSIAS Peer Review assessment, carried out by independent Head of Audit colleagues from the North Wets Chief Auditors Group, (reported to the April 2016 Committee meeting) confirmed that the Council’s internal audit team conforms to the PSIAS across all areas of focus:

Exhibit 11: PSIAS Summary Peer Review Assessment 2015/16

Area of Focus	Judgement
Purpose & Positioning	Conforms
Structure & Resources	Conforms
Audit Execution	Conforms
Overall Judgement	Conforms

3.7 Improvement Plans for 2018/19

3.7.1 No significant areas for improvement have been identified for 2018/19 from the results of the quality assurance process in place within Audit & Assurance. Following the completion of the service review of the Audit & Assurance team and the implementation of the revised structure the Team has focussed on ensuring that it continues to deliver an effective and improving service. Audit management will continue to work with senior management to ensure that systems in operation to promote effective control, risk management and governance are adequate in the current evolving transformational climate. The team will also continue to maintain and improve its corporate visibility to take every opportunity to market itself to the organisation, particularly at lower levels of management and operational areas of management, emphasising the added value that it offers.

SECTION 4 – ANNUAL GOVERNANCE STATEMENT

4.1 Criteria for Identifying Issues Relevant to the Annual Governance Statement

4.1.1 The CIPFA (Chartered Institute of Public Finance & Accountancy) and APB (Auditing Practices Board) guidance suggests the following criteria should be applied when judging what may constitute a significant control issue for the purposes of disclosure in the Annual Governance Statement:

- the issue has seriously prejudiced or prevented achievement of a principal objective;
- the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant a diversion of resources from another aspect of the business;
- the matter has led to a material impact on the accounts;
- the issue or its impact has attracted significant public interest or has seriously damaged the reputation of the organisation, or;
- the issue has resulted in formal action being taken by the Chief Financial Officer or Monitoring Officer.

4.2 Issues Relevant to the Preparation of the Council's Annual Governance Statement

In our opinion none of the qualifications that inform our annual internal audit opinion constitute a material weakness in the Council's overall governance framework that requires disclosure in the Annual Governance Statement.

Audit & Assurance Plan & Actual 2017/18

Audit Assignment	CLASSIFICATION	Priority	17/18 Days	Actual Days	Assurance Opinion	
					Control	Compliance
Personalised Budgets/Direct Payments	Control	2	10	11	Adequate	Limited
Commissioning/Contract Management	Control	2	10	0.5		
Provision of equipment to services users	Control	2	10	11.5	Limited	Adequate
Adoptions/Fostering recruitment and payments	Control	2	10	16.5	Limited	Limited
Section 17 Payments	Control	2	10	0.5		
Audits of Schools Finance Systems - Planning	Control	2	3	1.4		
Our Lady and St Johns RC High	Control	2	8	8.4	Limited	Adequate
St Pauls CE Primary - WIP 2017/18	Control	2	5	7.7		
St Thomas CE Primary	Control	2	5	11	Limited	Adequate
St Peters CE Primary	Control	2	5	8.1	Limited	Limited
St Peters RC Primary	Control	2	5	7	Limited	Adequate
Turton Belmont	Control	2	5	10.4	Adequate	Adequate
Holy Trinity Follow Up	Control	3	2	0		
Sacred Heart Follow Up	Control	3	1	0		
St Annes Follow up	Control	3	1	0		
Selective Licensing	Control	A*	10	10	Substantial	Substantial
Volunteers/Demand Management	Control	A*	16	1		
LTP Grant Requirement - Certification	Control	1	5	5.3	N/A	N/A
Blakey Moor Heritage Lottery	Control	2	10	12.6	Adequate	Adequate
KGH Events Management - WIP 2017/18	Control	2	10	11.1		
Payroll - Core System - WIP 2017/18	Control	1	25	6.3		
Police and Crime Commissioner Grant	Control	1	5	5.7	Limited	Limited
Off payroll engagement (IR35) - WIP 2017/18	Control	2	10	9.9		
Overtime/Additional hours payments - WIP 2017/18	Control	2	10	1.3		
Severance Payments - WIP 2017/18	Control	2	10	10.7		
Corporate Procurement - Public Contracts Regulations 2015 (CADS) - WIP 2017/18	Control	2	10	7.4		
Members Allowances and Induction	Control	A*	10	13	Adequate	Limited
Childrens Services Imprest Account - Addition to plan	Control	2	5	14.1	Adequate	Limited
Bus Subsidy Grant	Control	1	5	3.4	N/A	N/A
Disaster Recovery	Control	2	10	11.1	Substantial	Adequate
Main Accounting System - WIP 2017/18	Control	1	10	8.9		
Housing Benefits	Control	1	20	20.5	Adequate	Adequate
Creditors /E-Procurement/P/cards	Control	1	15	17.8	Adequate	Adequate
Council Tax	Control	1	15	14.7	Substantial	Substantial
NNDR	Control	1	15	13.4	Substantial	Adequate
Income Collection and Management System - WIP 2017/18	Control	2	10	3.5		
Sundry Debtors	Control	2	10	1.7		
Capital Programme/Budget Monitoring and Reporting - WIP 2017/18	Control	2	10	6.1		
Private Care Homes Contract Payments - WIP 2016/17	Control	2	5	4.3	Limited	Limited
Debtors - WIP 2016/17	Control	3	5	9.7	Adequate	Adequate
Payroll - Core System - WIP 2016/17	Control	1	12	14.1	Adequate	Adequate
St Annes RC - WIP 2016/17	Control	1	0	0.1	Limited	Limited
Efficiency Partner - WIP 2016/17	Control	2	0	0.1	Adequate	Adequate
Total Control Assignments			368	331.8	25 (43)	

Audit Assignment	CLASSIFICATION	Priority	17/18 Days	Actual Days	Assurance Opinion	
					Control	Compliance
Client case management system - Mosaic	Risk	1	10	10.8	Adequate	Adequate
SEND Inspection Regime	Risk	2	10	12	Limited	Adequate
CCTV Pennine Lancs Provision	Risk	2	10	10.1	Adequate	Substantial
Growth & Development Governance/Partnership Arrangements	Risk	2	10	0.3		
Highways - WIP 2017/18	Risk	2	15	1.2		
Growth Strategy	Risk	2	10	0.3		
Public Protection Inspections - WIP 2017/18	Risk	2	10	12		
Transport Procurement/Fleet Management	Risk	2	10	0		
ResourceLink System Security/Access	Risk	2	5	5.7	Adequate	Adequate
Budgetary Setting and Control - WIP 2017/18	Risk	1	10	5.9		
Information Governance/Data Protection	Risk	2	5	4.3		
Prosecution Process - WIP 2016/17	Risk	2	10	10.4	Adequate	Adequate
Budgetary Control - WIP 2016/17	Risk	1	2	4.4	Substantial	Substantial
Cyber Risk Review - WIP 2016/17	Risk	2	5	11.6	Adequate	Adequate
HR and Payroll VFM - WIP 2016/17	Risk	2	4	5.7	N/A	Adequate
CCTV Pennine Lancs Provision - WIP 2016/17	Risk	2	1	0.3	Adequate	Adequate
Client Case Management System - WIP 2016/17	Risk	2	10	10.7	Adequate	Adequate
Total Risk Assignments			137	105.7	10 (17)	

Audit Assignment	CLASSIFICATION	Priority	17/18 Days	Actual Days	Assurance Opinion	
					Control	Compliance
Social Determinants of Health Fund - WIP 2017/18	Governance	2	10	7.2		
Energy Grant	Governance	1	10	10.2	Adequate	Adequate
Schools & Museums Programme - External Funding Governance	Governance	A*	10	9.8	Adequate	Adequate
Capita Partnership - Contract Management & Governance - WIP 2017/18	Governance	1	10	7.1		
Partnership Arrangements - WIP 2017/18	Governance	2	10	7.9		
Review of Financial Regulations	Governance	2	5	0.4		
Growth Deal Round 2 - East Darwen Distributor	Governance	2	10	0.3		
Project Management - WIP 2017/18	Governance	2	15	12		
Housing Growth Plan/Growth Strategy - WIP 2016/17	Governance	2	5	8.5	Limited	Adequate
Police and Crime Panel Grant 2016/17 - WIP 2016/17	Governance	2	1	2.3	Substantial	Limited
Strategic Funding and Bidding - WIP 2016/17	Governance	3	4	3.7	Adequate	None
Heritage England Grant - WIP 2016/17	Governance	2	2	2	N/A	N/A
Total Governance Assignments			92	71.4	6 (12)	
Audit Assignment	CLASSIFICATION	Priority	17/18 Days	Actual Days	Assurance Opinion	
					Control	Compliance
Other Audit Work						
A & A Client liaison/Queries	Other	2	20	14.4		
A & A Client Liaison/DMT Attendance	Other	2	10	3.9		
A & A Client Liaison/Project Groups	Other	2	15	6.6		
Audit Committee	Governance	1	15	12.7		
Audit Committee Annual Report/Evaluation	Governance	1	5	2.6		
Audit Committee CIPFA Guidance	Governance	2	5	0.4		
Auditor Panels	Governance	2	5	1.9		
Follow up work	Governance	1	10	5.9		
Liaison with external audit	Other	1	5	2.5		
Total Other			90	50.90		
Grand Total			687.00	559.80		

Summary Quality Assurance & Improvement Programme Activities

Activity	Frequency	Responsibility	Reporting
Internal Assessments – Ongoing Monitoring			
Review of internal audit charter, audit policies and procedures	Annual	Head of Audit & Assurance	Annual Plan to Audit & Governance Committee
Agree performance metrics for internal audit	Annual	Head of Audit & Assurance/Director of Finance & IT	Annual Plan to Audit & Governance Committee
Allocation of audit assignments to appropriate internal auditors	Each Assignment	Head of Audit & Assurance/Principal Audit & Assurance Officers	Annual Report to Audit & Governance Committee
Review of audit assignments	Each Assignment	Head of Audit & Assurance /Principal Audit & Assurance Officers	Annual Report to Audit & Governance Committee
Moderation and approval of internal audit reports	Each assignment	Head of Audit & Assurance/ Principal Audit & Assurance Officers	Annual Report to Audit & Governance Committee
Customer survey/questionnaire	Each Assignment	Head of Audit & Assurance/Principal Audit & Assurance Officers	Quarterly Progress Report to Audit & Governance Committee
Analyse performance metrics of internal audit activity	Quarterly	Head of Audit & Assurance	Quarterly Progress Report to Audit & Governance Committee
Discuss performance of internal audit activity	Monthly	Head of Audit & Assurance	Team Meeting Minutes
Discuss performance with individual internal auditors	Monthly	Head of Audit & Assurance/Principal Audit & Assurance Officers	Finance & IT DMT
Internal Assessments – Periodic Self-Assessments			
Self-Assessment against PSIAS	Annual	Head of Audit & Assurance	Annual Report to Audit & Governance Committee
Review of QAIP	Annual	Head of Audit & Assurance	Annual Report to Audit & Governance Committee
Progress against the audit & assurance plan/completion of priority 1 audits	Annual	Head of Audit & Assurance	Review of Audit Plan to Audit & Governance Committee
Appraisal of Head of Audit & Assurance	Annual	Director of Finance & IT/Chief Executive/Chair of Audit & Governance Committee	Finance & IT DMT
Appraisal of auditors including objective/target setting against agreed skills & competencies.	Annual	Head of Audit & Assurance/Principal Audit & Assurance Officers	Finance & IT DMT
Client Satisfaction Survey	Annual	Head of Audit & Assurance	Annual Report to Audit & Governance Committee
Benchmarking review of internal audit services	Every 3 Years	Head of Audit & Assurance	Annual Report to Audit & Governance Committee
External Assessments			
Assessment against PSIASs	Every 5 Years	Head of Audit & Assurance	PSIA Report to Audit & Governance Committee