

Meeting	AUDIT AND GOVERNANCE COMMITTEE
Time/Day/Date	6.30 pm on Wednesday, 24 June 2015
Location	Council Chamber, Council Offices, Coalville
Officer to contact	Democratic Services (01530 454512)

All persons present are reminded that the meeting may be recorded and by attending this meeting you are giving your consent to being filmed and your image being used. You are kindly requested to make it known to the Chairman if you intend to film or record this meeting.

The Monitoring Officer would like to remind members that when they are considering whether the following items are exempt information under the relevant paragraph under part 1 of Schedule 12A of the Local Government Act 1972 they must have regard to the public interest test. This means that members must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available to the public.

AGENDA

Item	Pages
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest and whether it is pecuniary or non-pecuniary.	
3. MINUTES	
To confirm and sign the minutes of the meeting held on 25 March 2015.	3 - 6
4. STANDARDS AND ETHICS - QUARTER 4 REPORT	
Report of the Head of Legal and Support Services	7 - 16
5. INTERNAL AUDIT PROGRESS REPORT - MAY 2015	
Report of the Senior Auditor	17 - 34



6.	INTERNAL AUDIT ANNUAL REPORT 2014/15	
	Report of the Senior Auditor	35 - 60
7.	EXTERNAL ASSESSMENT OF INTERNAL AUDIT	
	Report of the Senior Auditor	61 - 70
8.	TREASURY MANAGEMENT STEWARDSHIP REPORT	
	Report of the Head of Finance	71 - 78
9.	COMMITTEE WORK PLAN	
	To note the Committee's Work Plan	79 - 80

Circulation:

R Adams
R Ashman
J Clarke
J Cotterill (Chairman)
F Fenning
D Harrison (Deputy Chairman)
G Jones
K Merrie MBE
T Neilson
A C Saffell

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 25 MARCH 2015

Present: Councillor T Neilson (Chairman)

Councillors J Cotterill, D Everitt and N Smith

In Attendance: Councillors

Officers: Mr R Bowmer, Ms L Cotton, Mrs R Wallace and Miss E Warhurst

External Audit: Mr J Cornett

30. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor A Bridges, D Howe, G Jones, C Large and A C Saffell.

31. DECLARATIONS OF INTEREST

There were no declarations of interest.

32. MINUTES

Consideration was given to the minutes of the meeting held on 10 December 2014.

It was moved by Councillor T Neilson, seconded by Councillor N Smith and

RESOLVED THAT:

The minutes of the meeting held on 10 December 2014 be approved and signed by the Chairman as a correct record.

33. STANDARDS AND ETHICS - QUARTER 3 REPORT

The Head of Legal and Support Services presented the report to Members and advised that one complaint had been received relating to a District Councillor, which has been concluded. Members were informed that there had been a 34 percent reduction in Freedom of Information requests during quarter three compared to the same period in 2013/14. It was also highlighted that between quarter one and quarter three, there had been a 10 percent increase in Freedom of Information requests overall.

It was moved by Councillor T Neilson, seconded by Councillor N Smith and

RESOVLED THAT:

The report be received and noted.

34. WHISTLE BLOWING POLICY AND PROCEDURE

The Head of Legal and Support Services presented the report and asked Members to recommend its adoption to Cabinet.

In response to a question from Councillor N Smith, the Head of Legal and Support Services gave assurances that complaints could be made anonymously if desired.

Councillor T Neilson asked if it was agreed that a complaint be kept confidential and then the identity was revealed, would it be covered under the revised policy. The Head of Legal and Support Services explained that in some circumstances, investigations would lead to other officers becoming involved which could not be avoided. If someone did disclose confidential information it would be dealt with under the disciplinary policy.

Councillor N Smith asked for an explanation as to how a public complaint would be dealt with as this policy only related to members of staff. The Chairman asked for a response to be provided to Councillor N Smith outside of the meeting.

It was moved by Councillor T Neilson, seconded by Councillor J Cotterill and

RECOMMENDED THAT:

Cabinet adopt the draft revised policy.

RESOLVED THAT:

The report be noted.

35. INTERNAL AUDIT PROGRESS REPORT - FEBRUARY 2015

The Senior Auditor presented the report to Members and highlighted the Audit Plan progress.

In response to a question from Councillor N Smith, the Senior Auditor reported that she felt the service was doing very well especially considering the size of the team. She was confident that when the external assessment was conducted, they would have a positive outcome.

The Chairman commented that he supported the timing suggested for completing the work as it was needed as soon as possible.

It was moved by Councillor T Neilson, seconded by Councillor N Smith and

RESOLVED THAT:

The report be noted.

36. 2015/16 INTERNAL AUDIT ANNUAL PLAN

The Senior Auditor presented the report and referred Members to the planned audit areas that could be added to if they felt anything was missing. She added that the plan was flexible and could be amended if Members had any concerns.

The Chairman asked if it was possible to indicate on the non coverage areas when it was previously audited or reviewed. The Senior Auditor agreed to include the information in future reports.

It was moved by Councillor T Neilson, seconded by Councillor D Everitt and

RESOLVED THAT:

(a) The report be noted.

(b) The 2015/16 Internal Audit Annual Plan be approved.

37. TREASURY MANAGEMENT ACTIVITY REPORT - APRIL TO FEBRUARY 2015

The Head of Finance presented the report to Members.

Councillor N Smith asked how the recent report in the press regarding the potential drop in the base rate to zero percent would affect the Council. The Head of Finance explained that the borrowing was at a fixed interest rate so it would not affect the expenditure budget; however the investments had varied interest rates so for a short time there could be a reduction. Members were assured that as the investments were low level it would not have a major affect.

In response to a further question from Councillor N Smith, the Head of Finance reported that as the Council did not trade with Europe and all investments were in sterling, if anything were to happen to the Euro it would not have an impact.

It was moved by Councillor T Neilson, seconded by Councillor J Cotterill and

RESOLVED THAT:

The report be noted.

38. EXTERNAL AUDIT PLAN 2014-15

Mr J Cornett, External Auditor, presented the report and drew Members attention to the three key financial statements audit risks.

It was moved by Councillor T Neilson, seconded by Councillor D Everitt and

RESOLVED THAT:

The External Audit Plan 2014 – 15 be approved.

39. COMMITTEE WORK PLAN

By affirmation of the meeting it was

RESOLVED THAT:

The work plan be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.02 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**AUDIT AND GOVERNANCE COMMITTEE – 24 JUNE 2015**

Title of report	STANDARDS AND ETHICS – QUARTER 4 REPORT
Contacts	<p>Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk</p> <p>Head of Legal and Support Services and Monitoring Officer 01530 454762 elizabeth.warhurst@nwleicestershire.gov.uk</p>
Purpose of report	To receive the figures for local determination of complaints and the ethical indicators for Quarter 4 of 2014/15.
Council Priorities	Value for Money
Implications:	
Financial/Staff	N/A
Link to relevant CAT	N/A
Risk Management	By receiving this information members will be able to manage risks.
Equalities Impact Assessment	N/A
Human Rights	N/A
Transformational Government	N/A
Consultees	N/A
Background papers	None.
Recommendations	THAT THE REPORT BE RECEIVED AND NOTED.

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STANDARDS AND ETHICS

QUARTER 4 REPORT 2014-2015

1. Introduction

This is the quarterly report to the Audit & Governance Committee detailing both the figures for the Ethical Indicators and the figures for the Local Determination of Complaints process for 2014/15.

For clarification purposes the months covered by the quarters are as follows:

Quarter 1 – 1 April to 30 June
Quarter 2 – 1 July to 30 September
Quarter 3 – 1 October to 31 December
Quarter 4 – 1 January to 31 March

The report is split into 2 parts for ease of reference; Part 1 refers to the local determination of complaints, part 2 is the table showing the ethical indicators figures.

The report will enable the Audit & Governance Committee to build up a picture over time of how many complaints are received and where these are coming from. The parts of the Code of Conduct which have been breached will also be recorded to enable training to be targeted effectively.

2. Part 1 – Local Determination of Complaints

The Monitoring Officer received 0 complaints in Quarter 4 of 2014/15.

2.1 Timeliness of Decision

The Standards for England Guidance stated that the Assessment Sub-committee should complete its initial assessment of an allegation “within an average of 20 working days” to reach a decision on what should happen with the complaint. The Council has taken this standard and adapted it under the new rules to aim to hold an Assessment Sub-committee within 20 working days of notifying the parties that informal resolution is not possible.

2.2 Review Requests

There have been no review requests this year. Review requests can only be made following a decision of ‘No further Action’ by the Assessment Sub-committee where there is submission of new evidence or information by the complainant.

2.3 Subsequent Referrals

None to report – see above.

2.4 Outcome of Investigations

There were no investigations concluded in this period.

2.5 Parts of the Code Breached

This section is intended to show where there are patterns forming to enable the Audit & Governance Committee to determine where there needs to be further training for Councillors. Targeting training in this way makes it more sustainable and, hopefully, more effective.

So far this year, the following areas of the code were found to have been breached:

N/A

4. Part 2 – Ethical Indicators

Ref.	Performance Indicator Description	Officer Responsible for Providing Information	Q1		Q2		Q3		Q4	
			Actual 2013/14	2014/15	Actual 2013/14	2014/15	Actual 2013/14	2014/15	Actual 2013/14	2014/15
SE1	Objections to the Councils Accounts	Financial Planning Team Manager	0	0	0	0	0	0	0	0
SE3	Follow up action relating to breaches of the Member/Officer Protocol (Members)	Head of Legal and Support Services	0	0	0	0	0	1	0	0
SE3a	Disciplinary action relating to breaches of the Member/Officer Protocol (staff)	Human Resources Team Manager	0	0	0	0	0	0	0	0
SE4	District Audit Public Interest Reports	Senior Auditor	0	0	0	0	0	0	0	0
SE5	Number of Whistle blowing Incidents reported		0	0	0	0	0	0	0	0
SE6	No. of recommendations made to improve governance procedures / policies		4	5	5	1	0	2	17	0
SE6a	No. of recommendations implemented		5	5	2	7	1	10	9	5

Ref.	Performance Indicator Description	Officer Responsible for Providing Information	Q1		Q2		Q3		Q4	
			Actual 2013/14	2014/15	Actual 2013/14	2014/15	Actual 2013/14	2014/15	Actual 2013/14	2014/15
SE7	No. of Ombudsman complaints received	Corporate Complaints Officer	2	0	2	1	2	2	0	2
SE7a	No. of Ombudsman complaints resolved		1 (1 where LGO has sent further enquiries)	0	2 (1 awaiting final decision)	1	1 (1 awaiting final decision)	2	0	2 (awaiting final decision on 1 from Q3)
SE7b	No. of Ombudsman complaints where compensation paid		1	0	0	0	0 (based on 1 resolved in Q3)	0	0	0 (still awaiting final decision)
SE8	No. of Corporate Complaints received		72	75	75	104	53	70	84	94
SE8a	No. of Corporate Complaints resolved		68	69	71	113	50	91	79	74
SE8b	No. of Corporate Complaints where compensation paid		3	1	2	4	2	4	3	17

- A total of 94 corporate complaints were received during Q4 which is an increase of 12% when with the same period for Q4 13/14, and is the third highest period that the council have received complaints in, behind Q2 and Q3 respectively.
- Of the 3 complaints received from the Ombudsman, two were in relation to planning applications. Both of the decisions in relation to these cases have been received, and no fault has been found in the way the council handled the applications. We are still waiting for a decision on a case which was opened in Q3 in relation to the way the Council has handled an Anti-Social Behaviour case. The ombudsman made some further enquiries which we have responded to, but the ombudsman has not been able to make a judgement yet.
- 54 of the complaints (57%) were for the Housing Service. The most common reason for a tenant making a complaint against the Housing Service was delays in carrying out agreed work (23 complaints received, which equates to 42% of all Housing complaints). Most of these related to repair works which were delayed during the autumn/winter period of 2014 which are now being completed, and this situation is projected to be corrected in full by the end of Q1 of 2015/16.

Ref.	Performance Indicator Description	Officer Responsible for Providing Information	Q1		Q2		Q3		Q4	
			Actual 2013/14	2014/15	Actual 2013/14	2014/15	Actual 2013/14	2014/15	Actual 2013/14	2014/15
Freedom of Information Act Indicators										
SE9	Total no. of requests received	Head of Legal and Support Services	116	178	109	147	165	109	208	138
SE9a	No. of requests compliant		100	125	92	83	125	82	151	85
SE9b	No. of Non compliant requests		14	45	15	47	31	19	51	45
SE9c	No of requests still open and within the 20 working days		0	0	0	3	0	0	0	0
SE9d	Number withheld due to exemptions/fees applied		5	10	4	29	5	27	6	18

- There has been a 34% reduction in FOI requests during Q4 this year compared to the same period of 2013/14.
- This financial year there has been a 4% decrease in FOI requests overall.
- The sustained increase in exemptions during quarter 2 and 3, and the tail off in quarter 4 reflects the fact that more information is being made available via the council's web pages, which are now easier to access following the redesign of our website. Moving forward the amount of information made available via the web pages will continue to increase. There has been an increase in the number of requests we have received that we have transferred to a different authority, and we are hoping that we can reduce this amount by constantly updating the information on our website.

Ref.	Performance Indicator Description	Officer Responsible for Providing Information	Q1		Q2		Q3		Q4	
			Actual 2013/14	2014/15	Actual 2013/14	2014/15	Actual 2013/14	2014/15	Actual 2013/14	2014/15
Regulation of Investigatory Powers Act Indicators										
SE10	No. of Directed Surveillance authorisations granted during the quarter	Senior Auditor	0	0	0	0	0	0	0	0
SE10a	No. in force at the end of the quarter		0	0	0	0	0	0	0	0
SE10b	No. of CHIS recruited during the quarter		0	0	0	0	0	0	0	0
SE10c	No. ceased to be used during the quarter		0	0	0	0	0	0	0	0
SE10d	No. active at the end of the quarter		0	0	0	0	0	0	0	0
SE10e	No. of breaches (particularly unauthorised surveillance)		0	0	0	0	0	0	0	0
SE10f	No. of applications submitted to obtain communications data which were rejected		0	0	0	0	0	0	0	0
SE10g	No of notices requiring disclosure of communications data		0	0	0	0	0	0	0	0
SE10h	No of authorisations for conduct to acquire communications data		0	0	0	0	0	0	0	0
SE10i	No of recordable errors		0	0	0	0	0	0	0	0

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – 24 JUNE 2015

Title of report	INTERNAL AUDIT PROGRESS REPORT – MAY 2015
Contacts	<p>Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk</p> <p>Head of Finance 01530 454520 ray.bowmer@nwleicestershiever.gov.uk</p> <p>Senior Auditor 01530 454728 lisa.cotton@nwleicestershire.gov.uk</p>
Purpose of report	To inform the committee of the progress against the Internal Audit plan for 2015/16 and to highlight incidences of any significant control failings or weaknesses.
Reason for Decision	To comply with the Public Sector Internal Audit Standards.
Council Priorities	Value for Money
Implications:	
Financial/Staff	None
Link to relevant CAT	None
Risk Management	The Internal Audit planning process is based on a risk assessment methodology
Equalities Impact Assessment	Not Applicable
Human Rights	None
Transformational Government	Not Applicable
Consultees	Head of Finance
Background papers	Public Sector Internal Audit Standards

Recommendations	MEMBERS NOTE THE CONTENTS OF THE REPORT AND CONSIDER THE TIMING OF THE EXTERNAL ASSESSMENT OF CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS.
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1. INTRODUCTION

- 1.1 The Public Sector Internal Audit Standards require the authority's Audit Committee to approve the audit plan and monitor progress against it. They should also receive periodic reports on the work of internal audit. The Audit and Governance Committee approved the 2014/15 Audit Plan on 26 March 2014 and 2015/16 Audit Plan on 25 March 2015. They receive quarterly progress reports.

2. TERMS OF REFERENCE

- 2.1 Section 3 of Part 3 of the Constitution sets out the Terms of Reference of the Audit and Governance Committee, as set out at the extract below:
'To act as the Authority's Audit Committee, to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to be responsible for the financial reporting process'.

3. PROGRESS REPORT

- 3.1 The Internal Audit Progress Report for the period to the end of May 2015 is attached at Appendix 1.



INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council
Internal Audit Progress Report: May 2015

1. Introduction

- 1.1 The assurances received through the Internal Audit programme is a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight the progress against the Internal Audit Plan up to the 31 May 2015.

2. Purpose of Internal Audit

- 2.1 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to Internal Audit activity should lead to strengthening the control environment, and therefore contribute to the achievement of the organisation's objectives.
- 2.2 This is achieved through Internal Audit providing a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary.

3. Authority of Internal Audit

- 3.1 Internal Audit derives its authority from the Accounts and Audit Regulations 2011, the Internal Audit Charter and the Council's Constitution. The Financial Regulations, which are part of the Constitution, sets out that 'Internal Audit has authority to:
- a) enter any Council owned or occupied premises or land at all times (subject to any legal restrictions outside the Council's control);
 - b) have access at all times to the Council's records, documents and correspondence;
 - c) require and receive such explanations from any employee or member of the Council as he or she deems necessary concerning any matter under examination; and
 - d) require any employee or member of the Council to produce cash, stores or any other Council owned property under their control.
 - e) The Senior Auditor shall have access to, and the freedom to report in his/her name to all boards, members or officers, as he/she deems necessary.

4 Responsibility of Internal Audit

- 4.1 Internal Audit will have the responsibility to review, appraise and report as necessary on:
- a) the adequacy and effectiveness and application of internal controls and processes and systems;
 - b) the extent of compliance with Financial Regulations and Standing Orders and approved policies and procedures of the Council plus the extent of compliance with external laws and regulation; and
 - c) the extent to which the Council's assets and interest are accounted for and safeguarded from losses of all kinds arising from waste, inefficient administration, poor value for money, fraud or other cause.

5 Independence of Internal Audit

- 5.1 Internal Auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice.

Internal Auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that they believe in their work product and that no quality compromises are made.

- 5.2 If independence or objectivity is impaired in fact or appearance, the details of the impairment should be disclosed to senior management and the Audit and Governance Committee. There are no impairments to report to senior management and the Audit and Governance Committee for the current financial year.

6 Internal Audit Plan Update

- 6.1 A progress report against the 2015/16 Internal Audit plan is documented in Appendix A. Two audits are at the planning stage. During April and May resources have been utilised to progress three audits from the 2014/15 plan (Payroll, Aids and Adaptations and Performance Management). The Payroll audit took longer than planned due to the need to perform additional testing and problems with the system. It is unlikely that the Quarter 1 target to complete six audits will be achieved.
- 6.2 No final audit reports were issued from 1 March 2015 to 31 May 2015. The Payroll and Aids and Adaptations audit have reached the report drafting stage. The results will be reported to the September Audit and Governance Committee.
- 6.3 The Internal Audit plan needs to be flexible in order to reflect current issues and resource requirements. There have been a number of changes to the Internal Audit plan approved in March 2015 and details are documented in the 'comments' column in Appendix A.

7 Internal Audit Recommendations

- 7.1 Internal Audit monitors and follows up all medium and high risk recommendations. Appendix B lists all overdue recommendations along with a status update. Although the target dates have not been met, Internal Audit are satisfied that in the majority of cases reasonable progress had been made. Where progress had stalled, follow up work by Internal Audit has brought this to the attention of Heads of Service and they are now addressing this.
- 7.2 All outstanding recommendations i.e. those not yet due, are included in Appendix C for information.

8 Internal Audit Performance Indicators

- 8.1 Performance information for Internal Audit in relation to its team plan actions and performance indicators is documented in Appendix D.

9 Public Sector Internal Audit Standards (PSIAS) Action Plan Update

- 9.1 In April 2015 CIPFA carried out an external assessment of the Internal Audit Shared Service. The report and associated action plan are being presented to this Audit and Governance Committee via a separate report. The assessor did not identify any major areas of non-compliance and has made some minor recommendations that will help us to achieve an appropriate level of compliance for an Internal Audit function of our size.

10 Risk Management Update

- 10.1 The updated Corporate Risk Register is attached at Appendix E. The Council's Risk Management Scrutiny Group reviewed this and recommended only minor changes which the Corporate Management Team agreed at its meeting on 28 April 2015. The review included consideration of the Community Risk Register which the Leicestershire Local Resilience Forum oversees and the Council's own Service Risk Registers. Whilst no new risks were added to the Register an emerging risk relating to the storage of data was identified. This risk is currently being evaluated and may be added when the register is updated for Q1 of 2015/16 and reported to Cabinet in July 2015. An update on the Council's corporate risks was included in the Quarter 4 Performance Monitoring report for Cabinet on 16 June 2015.

2015/16 Audit Plan Progress: May 2015 (In-house Audit Team Audits)

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						H	M	L	A	
Cash and Bank	Key Financial System	6	-	Scheduled for Quarter 2						
Creditors	Key Financial System	8	-	Scheduled for Quarter 4						
Debtors	Key Financial System	8	-	Scheduled for Quarter 4						
Main Accounting	Key Financial System	8	-	Scheduled for Quarter 4						
Payroll	Key Financial System	8	-	Scheduled for Quarter 4						
Rent Accounting	Key Financial System	8	-	Scheduled for Quarter 2						
Treasury Management	Key Financial System	6	-	Scheduled for Quarter 1						
ICT Security	Key Financial System	5	-	Scheduled for Quarter 2						This work will take the form of following up recommendations from the LCC 2014/15 audit.
Risk Management	Assurance	5	-	Scheduled for Quarter 3						
Governance and Ethics – New Members	Assurance	10	-	Scheduled for Quarter 2						
Performance Management	Assurance	6	-	Scheduled for Quarter 3						
Fraud	Assurance	6	-	Scheduled for Quarter 2						
Information Sharing and Data Protection	Risk Based	8	-	Scheduled for Quarter 2						
Housing - Other Capital Works/Non DHIP	Risk Based	8	-	Scheduled for Quarter 1						
Responsive Housing Repairs & Voids	Risk Based	8	-	Scheduled for Quarter 2						Move to quarter 3 or 4 to allow new ways of working to embed.
Safeguarding	Risk Based	5	-	Scheduled for Quarter 1						
Disabled Facilities Grants	Risk Based	5	0.5	Engagement Planning						
Leisure Centres	Risk Based	6	0.5	Engagement Planning						
Building Control	Risk Based	6	-	Scheduled for Quarter 1						
Expenses/mileage claims	Risk Based	5	-	Scheduled for Quarter 3						
Green & Decent	Risk Based	5	-	Scheduled for Quarter 2						Move to quarter 3 or 4 to allow robustness of results to be considered as part of the audit.
DHIP	Risk Based	5	-	Scheduled for Quarter 2						

KEY

Assurance Levels:

Grade 1	Internal Controls are adequate in all important aspects
Grade 2	Internal Controls require improvement in some areas
Grade 3	Internal Controls require significant improvement
Grade 4	Internal Controls are inadequate in all important aspects

Recommendations:

H	High Priority
M	Medium Priority
L	Low Priority
A	Advisory

Recommendations Tracker – Overdue Recommendations

Report		Recommendation		Rating	Officer Responsible	Target Date	Status	Management Comments
2014/15 Reports								
1	Planned Maintenance	2	The workload of the Repairs Client Team Leader should be reviewed by management and appropriate measures considered and implemented.	High	Repairs & Investments Team Manager	October 2014 Revised date: March 2015 May 2015	OVERDUE In Progress	The target date for this action should be moved to the end of May 2015 to accommodate the views of the incoming Team Manager.
6	Fraud Prevention and Detection	1	All Members and staff should be circulated with information detailing their responsibilities regarding fraud prevention and detection and provided with clear links to the Anti-Fraud and Corruption Strategy and the Confidential Reporting (Whistle-blowing) Policy.	High	Head of Finance / Head of Legal and Support Services	December 2014 Revised Date: March 2015 May 2015	OVERDUE In progress	The Legal Services Team Manager is using examples from other Councils to create the basic NWLDC versions of the various policies that are then customised by one of the support staff ready to load into Learning Pool. The Confidential Reporting (Whistle-blowing) Policy has been updated by Legal Services and taken to the Audit & Governance Committee. It is being taken to Cabinet on 16th June 2015. The Anti-Fraud and Corruption Strategy has been checked by the Legal Services Team Manager and is now being customised as a NWLDC document.

Report		Recommendation		Rating	Officer Responsible	Target Date	Status	Management Comments
6	Fraud Prevention and Detection	4	All new staff and Members should be made aware of their fraud prevention and detection responsibilities with training as appropriate as part of their induction programme.	Medium	Head of Legal and Support Services/Head of Finance/Human Resources Team Manager	December 2014 Revised Date: March 2015 June 2015	OVERDUE In progress	Democratic Services and HR to be consulted re rolling out of e-learning tool.
7	Governance and Ethics	2	Governance and Ethics awareness training should be provided to all relevant officers.	Medium	Legal Services Team Manager	March 2015 Revised Date: June 2015	OVERDUE In progress	Training with be delivered via the Learning Pool (as with fraud awareness).
9	Rent accounting	2	The Income and Systems Officer should monitor all accounts in credit on a quarterly basis, and report any accounts that have been written off and subsequent payments have been made to the Housing Management department to enable recovery action to recommence.	Medium	Income and Systems Officer	January 2015 Revised Date: March 2015	OVERDUE In progress Internal Audit follow up found that the report was produced by the Income and Systems Officer, however it has not been reviewed by Housing Management. This has been brought to the attention of the Head of Housing and is now being progressed.	This is now being progressed by the Housing Management Team Manager.

Recommendations Tracker – Outstanding Recommendations

Report		Recommendation		Rating	Officer Responsible	Target Date	Status	Management Comments
2014/15 Reports								
6	Fraud Prevention and Detection	2	Members (in particular, the Audit and Governance Committee) should be provided with training to ensure they can effectively consider the effectiveness of the Authority's Anti-Fraud and Corruption Arrangements.	Medium	Head of Finance	June 2015		
6	Fraud Prevention and Detection	9	Details regarding the management of fraud risks and any identified incidences of fraud should be included within the Council's Annual Governance Statement.	Medium	Head of Finance	September 2015		

Internal Audit Performance: May 2015

Performance Measures:

Performance Measure	2015/16 Qtr 1 Target	Position as at 31.05.15	Comments
Delivery of 2015/16 Audit Plan – Key Financial Systems	0%	0%	
Delivery of 2015/16 Audit Plan – Non Key Financial Systems	40%	0%	Two audits are at engagement planning stage. Resources required in April and May to complete 2014/15 audits.
Percentage of time spent on audit work	80%	86%	
Percentage of Client Satisfaction with the Internal Audit Service	100%	100%	These results are from surveys completed during 2014/15 (Feb 2015 last response). No surveys sent out during 2015/16 yet.
Compliance with the Internal Audit Standards	Full	No significant gaps in compliance	See section 9 for more information.
Compliance testing of completed recommendations	90%	100%	

Service Plan Actions:

Key Deliverables (Action)	Quarter 1 Milestone	Position as at 31.05.15
Review and update Health and Safety risk assessments to ensure risks to staff and customers are controlled.	Set action plan and timescale to deliver improvements where highlighted in reviews	On target – no actions. Review due September 2015.
Undertake audits as per agreed Audit Plan.	Complete audits of 6 systems to enable the completion of the audit plan	Failing. Resources have been taken up during April and May performing outstanding 2014/15 audits. This means that it is unlikely that 6 2015/16 audits will be completed in Quarter 1. The Senior Auditor is monitoring the situation closely to see whether temporary additional resources will be required to deliver the 2015/16 plan. At this stage it is not considered necessary.
Provide the Audit and Governance Committee with quarterly reports on the work and performance of internal audit.	Progress report to June Audit and Governance Committee	On target
Achievement of the PSAIS	External assessment of compliance with PSIAS	On target
Produce the 2014/15 Annual Audit Opinion Report by 30 th June 2015.	Prepare Annual Report for presentation to June Audit and Governance Committee.	On target – separate agenda item to this Audit and Governance Committee
Produce and have approved the 2016/17 Internal Audit Plan by 31 st March 2016.	No action	-
		-

Corporate Risk Register							
Risk Area	Inherent Risk			Control Measures	Residual Risk		
	Impact	Likelihood	Rating		Impact	Likelihood	Rating
Finance & Budget	4	4	16	Monthly management reviews are performed of actual against budgets and forecast to the end of the year. Monthly reporting and challenging at CLT, and reported to Cabinet quarterly Sound policies and procedures are in place. Planning for the Future has been documented and is reviewed regularly. Internal and External audit of systems and accounts.	4	1	4
Resource Capacity & Capability	4	4	16	Advance planning will mitigate this risk; however should it occur diverting resources from other services, bringing in additional resources from other sources (e.g. Agencies, Consultants, Voluntary/Community sector etc.) would be activated. Market conditions are tested through recruitment processes. The Council offers a package of additional benefits to enhance the recruitment offer. Linked to the above, the Council has developed innovative partnering relationships with other sectors including the private sector to make posts uniquely attractive. Best Employee Experience is a programme to attract and develop the right skills. It is a programme developing the talent within the staff resource through secondments and tailored development programmes.	2	2	4
Contract Management & Procurement	4	4	16	Corporate procurement staff and legal team to support where necessary on contract management. Policies and procedures are in place. Procurement Gateway Board oversees a procurement planning process. Training	3	2	6

				programme in place for staff.			
Information Governance & Data Protection	4	4	16	Policies and procedures are in place. Corporate Governance training is undertaken annually and includes information governance as appropriate to reflect changes in legislation. The Council has a dedicated SIRO. Corporate Governance Groups are in place to scrutinise impacts/issues arising.	4	1	4
Emergency Planning & Business Continuity arrangements	4	4	16	Business continuity plans have been documented, policies and procedures are in place, initial continuity plans are in place to allow access to the service through alternative mechanisms (Hermitage Leisure Centre)	4	1	4
Effective IT Systems & Procedures	4	4	16	Fully resilient environment in place with no single points of failure for core systems, other critical systems use cold standby equipment. New business services are being run in remote fully resilient data centres and existing systems are being progressively migrated to these cloud computing centres. Data is backed up to a second disk unit offsite at Hermitage Leisure Centre. Improved business recovery arrangements have been implemented to minimise recovery time.	3	2	6
Project & Programme Management	4	4	16	Progress is shared with regularly with CLT, experienced PRINCE 2 staff, transformation programme is continually reassessing its objectives	3	2	6
Governance, Policies & Procedures	4	4	16	Policies & procedures in place, governance processes are documented and in operation, ongoing assessments and reviews are performed.	4	1	4

Assessing the likelihood of a risk:

1 Low	Likely to occur once in every ten years or more
2 Medium	Likely to occur once in every two to three years
3 High	Likely to occur once a year
4 Very high	Likely to occur at least twice in a year

Assessing the impact of a risk:

1 Low	<p>Loss of a service for up to one day,</p> <p>Objectives of individuals are not met No injuries</p> <p>Financial loss below £10,000</p> <p>No media attention</p> <p>No breaches in council working practices</p> <p>No complaints/litigation</p>
2 Medium	<p>Loss of a service for up to one week</p> <p>Service objectives of a service unit are not met</p> <p>Injury to an employee or member of the public requiring medical treatment</p> <p>Financial loss over £10,000</p> <p>Adverse regional or local media attention – televised or news paper report</p>

	<p>High potential for a complaint litigation possible</p> <p>Breaches of regulations/standards</p>
3 High	<p>Loss of a service for one week or more</p> <p>Service objectives of the directorate are not met</p> <p>Non- statutory duties are not achieved</p> <p>Permanent injury to an employee or member of the public</p> <p>Financial loss over £100,000</p> <p>Adverse national or regional media attention – national news paper report</p> <p>Litigation to be expected</p> <p>Breaches of law punishable by fine</p>
4 Very high	<p>An incident so severe in its effects that a service or project will be unavailable permanently</p> <p>Strategic priorities are not met</p> <p>Statutory duties are not achieved</p> <p>Death of an employee or member of the public</p> <p>Financial loss over £1m.</p> <p>Adverse national media attention – national televised news report</p> <p>Litigation almost certain and difficult to defend</p> <p>Breaches of law punishable by imprisonment</p>

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**AUDIT AND GOVERNANCE COMMITTEE – 24 JUNE 2015**

Title of report	INTERNAL AUDIT ANNUAL REPORT 2014/15
Contacts	<p>Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk</p> <p>Senior Auditor 01530 454728 lisa.cotton@nwleicestershire.gov.uk</p>
Purpose of report	To present the Internal Audit Annual Report to members.
Reason for Decision	To comply with the Public Sector Internal Audit Standards.
Council Priorities	Value for Money
Implications:	
Financial/Staff	None
Link to relevant CAT	None
Risk Management	The audit planning process is based on risk assessment.
Equalities Impact Assessment	N/A
Human Rights	N/A
Transformational Government	No direct implications
Consultees	Head of Finance
Background papers	Public Sector Internal Audit Standards
Recommendations	THAT THE COMMITTEE NOTES THIS REPORT AND COMMENTS AS APPROPRIATE.

1. INTRODUCTION

- 1.1 This is the annual report of the Senior Auditor as required by the Public Sector Internal Audit Standards (PSIAS). It covers the period 1 April 2014 to 31 March 2015.

- 1.2 This report includes the Senior Auditor's annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 1.3 This report also provides information on:
- the independence of internal audit;
 - comparison of planned work to actual work undertaken;
 - audit reports issued and implementation of recommendations;
 - other assurances;
 - issues of concern;
 - Internal Audit's performance;
 - compliance with the Public Sector Internal Audit Standards; and
 - issues for inclusion within the Annual Governance Statement.
- 1.4 The most that the Internal Audit Service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes or internal controls. The matters raised in this report are only those which came to our attention during the internal audit work and are not necessarily a comprehensive statement of all weaknesses that exist, or of all the improvements that may be required.

2. ANNUAL OPINION 2014/15

- 2.1 For the 12 months ended 31 March 2015, based upon the work undertaken by Internal Audit during the year and additional information provided by relevant managers on their responses to audit recommendations, I have formed the opinion that the Council's overall internal control arrangements are a **Grade 2** which means that they **require improvement in some areas**.

2.2 Table 1: Assurance Model Definitions

	ASSURANCE	CONTROLS ADEQUACY
Positive Opinion	Grade 1	Internal Controls are adequate in all important areas
→ Positive Opinion	Grade 2	Internal Controls require improvement in some areas.
Negative Opinion	Grade 3	Internal Controls require significant improvement in some areas.
Negative Opinion	Grade 4	Internal Controls are inadequate in all important aspects.

- 2.3 The assurance model (Table 1) on which I have based my opinion has changed from previous years to better align with the assurance model used on all audit assignments carried out during the year. Last year the annual opinion was based on three levels of assurance; substantial, adequate and limited. This model of assurance was only ever used in the annual report and the definitions for each level were quite broad. This inconsistency was identified during the external assessment of compliance with the Public Sector Internal Audit Standards (see section 9 for more information).

3. INDEPENDENCE OF INTERNAL AUDIT

- 3.1 Internal auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice. Internal auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that they believe in their work product

and that no quality compromises are made. There have been no impairments for the 2014/15 financial year.

4. COMPARISON OF PLANNED WORK TO ACTUAL WORK UNDERTAKEN

- 4.1 The Internal Audit Plan for 2014/15 was approved by the Audit and Governance Committee on 26 March 2014. A comparison of planned audits with audits completed is shown in Appendix A. In 2014/15 thirteen planned audits were completed plus one additional audit by 31 March 2015. Three audits from the 2014/15 plan have been carried out during the first quarter of 2015. Three audits were removed from the plan as other pieces of work in the service area meant the audit was no longer required during 2014/15. Two audits were moved to 2015/16.
- 4.2 The Audit and Governance Committee receives quarterly progress reports which set out progress against the audit plan. A fuller commentary of variations from the plan is provided in these reports. Annual internal audit plans must be sufficiently flexible to enable auditors to respond to changing needs throughout the year.

5. SUMMARY OF REPORTS ISSUED AND THE IMPLEMENTATION OF RECOMMENDATIONS

- 5.1 The Executive Summaries of all audit reports issued for 2014/15 are documented in Appendix B. Appendix C details all the recommendations made during the year along with their status.
- 5.2 Table 2 provides a summary of the assurance levels and number and priority of recommendations for each audit (in order of report issue).

Table 2: Summary of Reports Issued

Audit Area	Level of Assurance	Number and Priority of Recommendations
Planned Housing Maintenance	Grade 2	2 High
Sunbed Policy	Grade 2	3 High
Decent Homes Improvement Programme	Grade 2	1 Medium
Treasury Management	Grade 1	None
Business Rates Retention	Grade 1	None
Fraud Prevention and Detection	Grade 2	3 High, 6 Medium, 1 Low
Governance and Ethics	Grade 2	1 Medium, 1 Low
Cash and Bank	Grade 1	None
Rent Accounting	Grade 2	2 Medium
Main Accounting	Grade 1	None
Risk Management	Grade 1	None
Creditors	Grade 1	None
Debtors	Grade 1	None
Payroll	Grade 3	14 High
Contracts – Aids and Adaptations	Final report not yet issued	
Performance Management	Final report not yet issued	

6. OTHER ASSURANCES

- 6.1 Three of the Council's key financial systems (Benefits, Business Rates and Council Tax) are provided by the Leicestershire Revenues and Benefits Partnership. For 2014/15 the internal audit service at the Partnership was provided by CW Audit Services. Appendix D details the level of assurance and overall opinion for the three key financial systems and Appendix E details the recommendations made and the status for each recommendation.
- 6.2 An audit of ICT Key Controls has been undertaken by a specialist computer auditor employed by Leicestershire County Council (LCC). The audit has been completed and a 'partial' level of assurance has been given. LCC use a different model of assurance therefore the definition of 'partial assurance' is included in paragraph 7.1 below. The recommendations, which will be followed up by the Internal Audit Shared Service during 2015/16, are detailed at Appendix F.

7. ISSUES OF CONCERN

- 7.1 During the year, there have been two audits that have identified significant controls weaknesses. The findings have been taken into consideration when forming my annual opinion for 2014/15. The two audits are:
- Human Resources and Payroll
Grade 3 – Internal controls require significant improvement
A summary of the improvements required is detailed in Appendix B. The payroll final report was not issued until June 2015 therefore none of the recommendations are yet due for implementation.
 - ICT Key Controls
Partial Assurance - Based on the answers provided during the audit and the testing undertaken, only partial assurance can be given that the internal controls in place to reduce exposure to those agreed risks currently material to the system's objectives are adequate and are being managed effectively. This is because at least one "high importance" (HI) recommendation has been identified. A HI recommendation denotes that there is either an absence of control or evidence that a designated control is not being operated and as such the system is open to material risk exposure. It is particularly important that management quickly addresses those recommendations denoted as HI and implements an agreed action plan without delay.

8. INTERNAL AUDIT PERFORMANCE

- 8.1 The performance of Internal Audit is monitored regularly. This is achieved through monthly meetings with the Head of Finance and quarterly reports to the Audit and Governance Committee. Please see separate report presented to this Audit and Governance Committee for the latest quarterly performance report.

9. COMPLIANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

- 9.1 During 2014/15 progress was made against the action plan presented to 26 March 2014 Audit and Governance Committee. Appendix G details the actions along with their status.

- 9.2 The PSIAS were introduced on 1 April 2013 and they require a periodic self assessment and an external assessment at least once every five years. With the appointment of the new Senior Auditor in January 2015 it was felt that it would be a good time to have the external assessment to ensure that the limited resources of the Internal Audit team are focussed on achieving an appropriate level of compliance.
- 9.3 In March 2015 it was agreed by the Audit and Governance Committee that CIPFA would carry out the external assessment. They completed their onsite work in April 2015 and did not identify any major areas of non-compliance with the standards. They did make some minor recommendations for improvement. The report and associated action plan are presented to this Audit and Governance Committee via a separate agenda item.

10. ISSUES FOR INCLUSION WITHIN THE ANNUAL GOVERNANCE STATEMENT

- 10.1 The Head of Finance has been issued with copies of all internal audit reports issued during the year. The Head of Finance should review the reports in order to assess whether to include any of the findings within the Annual Governance Statement.

Appendix A

Comparison of work actually carried out to the work planned

Audit	Type of Audit	Status
Business Rates Retention	Planned Audit	Complete
Capital	Planned Audit	Removed from plan – no longer required
Cash and Bank	Planned Audit	Complete
Contracts - Aids and Adaptations	Planned Audit	Draft Issued
Creditors	Planned Audit	Complete
Debtors	Planned Audit	Complete
Decent Homes Improvement Programme	Planned Audit	Complete
Ethics	Planned Audit	Completed as part of Governance & Ethics Audit
Fraud	Planned Audit	Complete
Governance & Ethics	Planned Audit	Complete
Grant Income	Planned Audit	Removed from plan – no longer required
Housing – Other Capital Works	Planned Audit	Moved to 2015/16
IT Governance (part of ICT Key Controls)	Planned Audit	Completed as part of ICT Key Controls Audit (external contractor completed audit)
ICT Security/Back Up	Planned Audit	Completed as part of ICT Key Controls Audit (external contractor completed audit)
Information Sharing	Planned Audit	Moved to 2015/16
Main Accounting	Planned Audit	Complete
Payroll	Planned Audit	Complete
Performance Management	Planned Audit	Drafting report
Planned Housing Maintenance	Planned Audit	Complete
Planning Policy/Local Plan	Planned Audit	Removed from plan – no longer required
Rent Accounting	Planned Audit	Complete
Risk Management	Planned Audit	Complete
Treasury Management	Planned Audit	Complete
Sunbed Policy	Additional Audit	Complete

Executive Summary of 2014/15 Audits Reports Issued

Audit	Grade	The principal areas identified for improvement:
<u>Key Financial Systems</u>		
Cash & Bank	Grade 1 Internal Controls are adequate in all important areas	None identified.
Creditors	Grade 1 Internal Controls are adequate in all important areas	None identified.
Debtors	Grade 1 Internal Controls are adequate in all important areas	None identified, however it is suggested that the ongoing approach for tackling aged debt is reviewed to ensure it is done in the most efficient way.
Main Accounting	Grade 1 Internal Controls are adequate in all important areas	None identified.
Payroll	Grade 3 Internal Controls require significant improvement	<ul style="list-style-type: none"> • Finalising the Selima Service Level Agreement for the provision of the managed payroll service as a matter of urgency and formally assigning and documenting the roles and responsibilities of NWLDC staff. • Strengthening and consistently applying HR procedures, this includes but is not limited to: <ul style="list-style-type: none"> -all data entry to the HR module -arrangements for new starters and leavers -verification of the effects of monthly amendments on the payroll • Training and support for managers and staff using the self service

		<p>system</p> <ul style="list-style-type: none"> • Regular review of the Council's establishment list by Senior Managers. • Formal recording of all under and overpayments and the corrective action taken including monitoring the recovery of overpayments.
Rent Accounting	Grade 2 Internal Controls require improvement in some areas.	<ul style="list-style-type: none"> • Recovery action on static arrears • Monitoring of accounts in credit
Treasury Management	Grade 1 Internal Controls are adequate in all important areas.	None identified.
<u>Assurance Audits</u>		
Fraud Prevention and Detection	Grade 2 Internal Controls require improvement in some areas.	<ul style="list-style-type: none"> • Training for staff and Members • Updating of Anti-Fraud and Corruption Strategy and Confidential Reporting (Whistle Blowing) Policy • Identification and management of fraud risks • Reporting on counter fraud work • New starter identification checks
Governance and Ethics	Grade 2 Internal Controls require improvement in some areas.	<ul style="list-style-type: none"> • Update and review of Local Code of Corporate Governance • Awareness training for relevant officers and Members
Risk Management	Grade 1 Internal Controls are adequate in all important areas.	None identified.

<u>Risk Based Systems</u>		
Business Rates Retention	Grade 1 Internal Controls are adequate in all important areas	None identified.
Decent Homes Improvement Programme	Grade 2 Internal Controls require improvement in some areas.	<ul style="list-style-type: none"> • Updating of completed works spreadsheet
Planned Housing Maintenance	Grade 2 Internal Controls require improvement in some areas.	<ul style="list-style-type: none"> • Induction training for staff with responsibility for ordering goods and services • Review workload of Repairs Client Team Leader
Sunbed Policy	Grade 2 Internal Controls require improvement in some areas.	<ul style="list-style-type: none"> • Design of Skin Analysis Form • Display of instructions for using sunbeds

Members are able to view copies of all Internal Audit reports in full on iNET at:

<http://workspace.nwldc.gov.uk/Members/Internal%20Audit%20Reports%20and%20Recommendations/Forms/AllItems.aspx>

INTERNAL AUDIT RECOMMENDATIONS 2014-15

Report No: 14/15-1

Report Name: Planned Housing Maintenance

Rec No	Recommendation	Priority	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
1	All staff with responsibility for ordering goods and services should be given enhanced induction training covering Contract Procedure Rules and Financial Regulations.	High	Agree	October 2014 Revised: November 2014	Repairs & Investments Team Manager	Implemented
2	The workload of the Repairs Client Team Leader should be reviewed by management and appropriate measures considered and implemented.	High	Agree	October 2014 Revised: May 2015	Repairs & Investments Team Manager	Overdue Review started however target date extended to allow incoming Team Manager to have input.

Report No: 14/15-2

Report Name: Sunbed Policy

Rec No	Recommendation	Priority	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
1	The Suntower Skin Analysis Form should be redesigned without the 'scoring table' to avoid the possible skewing of answers to enable the user access to the sunbeds.	High	Agree	September 2014	Commercial Manager	Implemented
2	The Centre Managers should consider whether the doors to the rooms containing the Suntower equipment should be re-hung to open out of the room in accordance with the Sunbed Association Code of Practice to avoid blocking access if the customer faints/collapses inside the room.	High	Disagree	N/A	N/A	Risk accepted as considered more dangerous to have the door opening outwards onto corridor.

3	'Instructions for use' should be displayed in the Suntower room in accordance with the Sunbed Association Code of Practice.	High	Agree	September 2014	Commercial Manager	Implemented
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Report No: 14/15-3

Report Name: Decent Homes Improvement Programme

Rec No	Recommendation	Priority	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
1	The spreadsheet used to notify the Business Support Team of completed improvements should be updated monthly following agreement of completed works with the contractors.	Medium	Agree	October 2014	Planned Investment Manager	Implemented

Report No: 14/15-6

Report Name: Fraud Prevention and Detection

Rec No	Recommendation	Priority	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
1	All Members and staff should be circulated with information detailing their responsibilities regarding fraud prevention and detection and provided with clear links to the Anti-Fraud and Corruption Strategy and the Confidential Reporting (Whistle-blowing) Policy.	High	Agree	December 2014 Revised: March 2015 Revised: May 2015	Head of Finance / Head of Legal and Support Services	Overdue The fraud prevention and detection module has been delayed by the Elections and the need to urgently introduce the Data Protection module. The Fraud Awareness module is now being customised as a NWLDC document.
2	Members (in particular, the Audit and Governance Committee) should be provided with training to ensure they can effectively consider the effectiveness of the Authority's Anti-Fraud and Corruption Arrangements.	Medium	Agree	June 2015	Head of Finance	Not due
3	Staff whose duties might bring them into contact with situations where fraud	Medium	Agree	March 2015	Head of Finance	Implemented

	or corruption is a potential risk (e.g. procurement, exchequer, benefits, planning) should be identified and targeted with specific training.					
4	All new staff and Members should be made aware of their fraud prevention and detection responsibilities with training as appropriate as part of their induction programme.	Medium	Agree	December 2014 Revised: March 2015 Revised: June 2015	Head of Legal and Support Services/Head of Finance/Human Resources Team Manager	Overdue Democratic Services and HR to be consulted over roll out of e-learning packages.
5	The Anti-Fraud and Corruption Strategy should be reviewed and up-dated as soon as possible.	Medium	Agree	November 2014	Head of Finance	Implemented
6	The Confidential Reporting (Whistle blowing) Policy should be reviewed and up-dated as soon as possible.	Medium	Agree	November 2014 Revised: March 2015	Head of Legal and Support Services	Implemented
7	The Council's strategic risk register and all individual service risk registers should be revisited to ensure that any potential risks regarding fraud or corruption are identified and that appropriate mitigating actions and controls are in place.	High	Agree	January 2015 Revised: March 2015	Head of Finance	Implemented
8	Details regarding the management of fraud risks and any identified incidences of fraud should be included within the Council's Annual Governance Statement.	Low	Agree	September 2015	Head of Finance	Not due
9	Quarterly reporting to the Corporate Leadership Team and the Audit and Governance Committee on how well the council is tackling fraud risks should be undertaken.	High	Agree	April 2015	Head of Finance	In progress Quarterly updates to Audit & Governance Committee following up Fraud Audit recommendations. More consideration about the form of this reporting needed.
10	Human Resources staff should ensure that the new Starter Checklist is properly completed in all cases, and that internal procedures regarding the retention of (copies of) personal	High	Agree	Immediate and ongoing	HR Team Manager	Tested as part of 2014/15 payroll audit. Not found to have been implemented in all cases. A further

	documents such as passports and birth certificates is followed correctly.					recommendation to be made on the payroll audit.
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Report No: 14/15-7

Report Name: Governance and Ethics

Rec No	Recommendation	Priority	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
1	The Local Code of Corporate Governance should be reviewed and updated.	Low	Agree	March 2015 Revised: June 2015	Legal Services Team Manager	Overdue In progress following election.
2	Governance and Ethics awareness training should be provided to all relevant officers.	Medium	Agree	March 2015 Revised: June 2015	Legal Services Team Manager	Overdue Training with be delivered via the Learning Pool (as with fraud awareness).

Report No: 15/15-9

Report Name: Rent Accounting

Rec No	Recommendation	Priority	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
1	The Senior Housing Officers should review all static arrears and arrears below £100 every 6 months to ensure adequate recovery action has been taken. All unsatisfactory recovery action should be followed up with the appropriate officer.	Medium	Agree	January 2015	Senior Housing Officers	Implemented
2	The Income and Systems Officer should monitor all accounts in credit on a quarterly basis, and report any accounts that have been written off and subsequent payments have been made to the Housing Management department to enable recovery action to recommence.	Medium	Agree	January 2015	Income and Systems Officer	Implemented

Report No: 14/15-14

Report Name: Payroll

Rec No	Recommendation	Priority	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
1	The Selima Service Level Agreement for the provision of the managed payroll service should include the requirement for Selima to notify that all processes have been completed for each payroll. The SLA should be signed off by both parties as a matter of urgency.	High	Agree	September 2015	Head of Finance assisted by Human Resources Team Manager and Financial Services Team Manager	N/A report issued June 2015
2	Responsibilities in NWLDC for the HR and Payroll function should be formally assigned and fully documented.	High	Agree	September 2015	Head of Finance assisted by Human Resources Team Manager and Financial Services Team Manager	N/A report issued June 2015
3	HR staff should ensure that all personnel files are securely held whether in paper or electronic format.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
4	All new employees should complete the starter form that should then be held on their HR file.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
5	HR should verify the Offer Letter to the payslip prior to payment for all starters. The verification should be completed by a person different to the originator of the data input and a record maintained.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
6	All new starters should have their identity verified and recorded as such.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
7	Team managers should ensure that all staff leaving NWLDC complete a leaver form and this should be provided to HR in sufficient time for them to make accurate final payments. The leaver form should be held on the HR file together with supporting documentation.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
8	HR should verify the details from the Leaver Form to the payslip prior to payment for all leavers. The verification should be completed by a person different to the originator of the data input and a record maintained.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015

9	The Human Resources Team Manager should review the functionality made available to Managers and staff in the self serve system to ensure that appropriate 'training notes' are issued prior to full implementation of the system.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
10	When an employee starts to receive maternity benefits HR should check whether essential car allowance is also in payment and make the appropriate adjustment to avoid an overpayment.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
11	The Human Resources Team Manager should periodically circulate to Chief Officers the current establishment list for their area of responsibility to enable verification of the staffing structure and current employees.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
12	The HR database should be checked to ensure that the correct coding has been entered for the relevant service area and that the manager shown is correct as the self service authorisation system will not operate correctly with incorrect managers shown.	High	Agree	As part of self service project development	Human Resources Team Manager	N/A report issued June 2015
13	A schedule of under and overpayments generated by the payroll process should be compiled with the proposals for full recovery of the overpayment that will be updated with repayment transactions as they occur.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015
14	Bulk amendments, such as increments, should be subject to sample testing of the resulting payslips and all other amendments verified to the payslip. The verification should be completed by a person different to the originator of the data input and a record maintained.	High	Agree	Immediate and ongoing	Human Resources Team Manager	N/A report issued June 2015

Leicestershire Partnership – Revenues and Benefits

2014/15 Audits Completed by CW Audit Services

Audit	Level of Assurance	Overall Opinion
Benefits	Significant	The audit did not highlight any weaknesses that would materially impact on the achievement of the system's key objectives. The audit did find some low and medium impact control weaknesses and occasional processing errors which, if addressed, would improve the overall performance of the system. The main issues highlighted relate to the requirement to ensure that changes to system parameters are supported by evidenced authorisation, high value back-dated claims are independently checked and new claimants are checked to ensure that they have not been subject to previous, unrecovered overpayments.
Business Rates	Significant	The audit did not highlight any weaknesses that would materially impact on the achievement of the system's key objectives. The audit did find some low impact control weaknesses which, if addressed, would improve the overall performance of the system. However these weaknesses do not affect key controls and are unlikely to impair the achievement of the system's objectives.
Council Tax	Significant	The audit did not highlight any weaknesses that would materially impact on the achievement of the system's key objectives. The audit did find some low impact control weaknesses which, if addressed, would improve the overall performance of the system. However these weaknesses do not affect key controls and are unlikely to impair the achievement of the system's objectives.

Leicestershire Partnership – Revenues and Benefits

2014/15 Internal Audit Recommendations

Report Name: Benefits

Recommendation	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
Applications should not be processed unless all relevant sections of the form have been completed satisfactorily.	Agree	January 2015	Benefits Operational Manager	Implemented
Consideration should be given to reviewing the Verification Policy to set out the circumstances in which identification verification is not required.	Agree	April 2015	Benefits Operational Manager	Implemented
Assessors should be reminded of the requirement to comply with the Partnership's Verification Policy.	Agree	January 2015	Benefits Operational Manager	Implemented
Staff should be reminded of the need to process claims correctly.	Agree	January 2015	Benefits Operational Manager	Implemented
Benefits assessors should be reminded of the requirement to classify backdated claims correctly and training updates should be provided.	Agree	January 2015	Benefits Operational Manager	Implemented
Whenever possible all evidence to support a decision relating to a claim should be documented and retained.	Agree	January 2015	Benefits Operational Manager	Implemented
The authorisation field for backdated claims should always be fully completed.	Agree	January 2015	Benefits Operational Manager	Implemented
Benefit assessors should be reminded of the requirement to check all correspondence to ensure that it is clear.	Agree	January 2015	Benefits Operational Manager	Implemented
Processes for removing access controls for staff that have left the employment of the Council should be reviewed and complied with, and confirmation should be obtained to demonstrate that access to Citrix has been disabled.	Agree	January 2015	Business Support and Development Team Leader	Implemented

The welfare benefit parameter screen prints should clearly state the name of the Council to which they refer.	Agree	February 2015	Business Support and Development Team Leader	Implemented
Benefit assessors should be reminded on the need to ensure that claims are correctly flagged where a debt needs to be recovered.	Agree	January 2015	Benefits Operational Manager	Implemented
Benefit assessors should be reminded of the requirement to check all correspondence relating to overpayments to ensure that it is accurate.	Agree	January 2015	Benefits Operational Manager	Implemented
Timely reviews of assessment work to ensure that quality assurance targets are consistently met throughout the year.	Agree	January 2015	Benefits Control Team Leader	Implemented
Consideration should be given to reporting the progress against the Quality Assurance Check (4%) and the rate of errors identified.	Agree	April 2015	Head of Partnership	Implemented

Report Name: Business Rates

Recommendation	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
Consideration should be given to re-introducing quality audits to ensure consistency and accuracy of work.	Agree	June 2015	Revenues Operational Manager	The new NNDR Team are being formed and further recruitment is required within the team. Once the full team are in place the relevant training will be undertaken and a formal quality checking process will commence. This will be implemented by the end of August 2015.
Evidence that system parameters entered were double checked should be retained.	Agree	February 2015	Business Rates Team Leader	Implemented
The Discretionary Relief Policy should be complied with.	Agree	January 2015	Benefits Operational Manager	Implemented
a) The Partnership should ensure that all empty properties are inspected within 3 months of them being registered as eligible. b) To support this management should consider reviewing the staffing capacity dedicated to inspection and the planning of inspections to ensure this is as effective as	Agree A full review will take place regarding visits moving	July 2015	Business Development and Support Manager	New partnership staffing structure has resulted in a new combined visiting officer team and will be supported by a Senior Visiting Officer who will co-ordinate the workloads.

c) possible. Management should consider a specific exercise to 'catch up' on the apparent backlog of inspections and identify any cases where empty property exemptions appear to have been extended incorrectly up to that point, and take suitable action on these cases.	forward being more focused. The team will be fully generic covering Council Tax, NNDR and Benefits inspections/vis its.			From April 2015 all properties for Council Tax will be inspected if they are in receipt of an exemption and outcome captured on the system and accounts will be adjusted accordingly
All inspections should be recorded on the inspection screen of the Business Rates system.	Agree	January 2015	Business Development and Support Manager	Implemented
As per the Write-Off Policy, non-recoverable debt should be identified and written-off promptly.	Agree	April 2015	Revenues Operational Manager	Implemented
Care should be taken that all write-off forms are produced on a timely basis.	Agree	April 2015	Revenues Operational Manager	Implemented

Report Name: Council Tax

Recommendation	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
a) Consideration should be given to re-introducing quality audits to ensure consistency and accuracy of work. We would suggest that such checks could be targeted particularly at new staff or staff with changed roles.	Agree	June 2015	Council Tax Team Leaders	The quality checklist has been reviewed and revised. Quality checking is on track to recommence from June 2015.
b) Action should be taken to address training needs arising from identified recent errors, particularly with new staff.	Agree			
Discrepancies between VOA and CT systems should be investigated and rectified.	Agree and liaison with VOA to ensure records reconcile.	May 2015	Council Tax Team Leaders	The discrepancies are on the VOA's system. Information has been shared and the Ctax Team Leader will work with the VOA to remove the discrepancies.
a) Care should be taken to ensure that supporting documentation for exemptions is indexed correctly to the relevant account.	Agree	January 2015	Support Services Team Leader	Auditing of indexing will commence once a Senior Administration Officer has been appointed but in the meantime issues are addressed on an adhoc basis

b)	Team Leaders should investigate the exemption that has been incorrectly applied and rectify where necessary.	Agree	January 2015	Council Tax Team Leaders	Implemented
c)	Reviews should be carried out as soon they become due.	We will be reviewing process for all discounts and exemptions to ensure they are reviewed in a timely manner.	May/June 2015	Business Support and Development Team Leader	Implemented
a)	Care should be taken to ensure that supporting documentation for discounts is indexed correctly to the relevant account.	Agree	January 2015	Support Services Team Leader	Auditing of indexing will commence once a Senior Administration Officer has been appointed but in the meantime issues are addressed on an adhoc basis
b)	Team Leaders should investigate the discounts that have been incorrectly applied and rectify where necessary.	Agree	January 2015	Council Tax Team Leaders	Implemented
c)	Reviews should be carried out as soon they become due.	We will be reviewing process for all discounts and exemptions to ensure they are reviewed in a timely manner.	May/June 2015	Business Support and Development Team Leader	Implemented
a)	The Partnership should ensure that all empty properties are inspected within 3 months of them being registered as eligible.	A full review will take place regarding visits moving forward being more focused. The team will be fully generic covering Council Tax, NNDR and Benefits inspections/	May/June 2015	Business Support and Development Team Leader	New partnership staffing structure has resulted in a new combined visiting officer team and will be supported by a Senior Visiting Officer who will co-ordinate the workloads. From April 2015 all properties for Council Tax will be inspected if they are in receipt of an exemption and outcome captured on the system and accounts will be adjusted accordingly
b)	To support this management should consider reviewing the staffing capacity dedicated to inspection and the planning of inspections to ensure this is as effective as possible.				
c)	Management should consider a specific exercise to 'catch up' on the apparent backlog of inspections and identify any cases where empty property exemptions appear to have been extended incorrectly up to that point, and take suitable action on these cases.				

	visits.			
All inspections should be recorded on the inspection screen of the Academy system.	Agree	January 2015	Business Development and Support Manager	Implemented

Appendix F

2014/15 ICT Key Controls Audit (audit work carried out by Leicestershire County Council)

Recommendation	Agree/ Disagree	Implementation Date Agreed	Officer(s) Responsible	Status
Consideration should be given to reviewing the backup site arrangements to ensure that environmental controls from the main machine room can be replicated at the backup site. If a decision is taken to accept the risk then this should be formally accepted and recorded by Senior Management. (High Impact)	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
ICT Management should give consideration to producing a detailed DR plan and process. Once this has been completed consideration should be given to undertaking a full end to end disaster recovery test to ensure that data and systems can be recovered successfully. (High Impact)	Agree	December 2015	Head of Finance in conjunction with ICT Team Manager	Not due
A formal ICT change control policy and process should be established for all ICT changes and changes associated with Line of Business Systems. (High Impact)	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	In progress
ICT Management should give consideration to what performance indicators and reports should be made available and the new Service Desk Management System should be developed to satisfy this requirement.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
ICT Management should give consideration to developing a formal ICT Service Level Standard which ICT should be monitored against.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
Consideration should be given to formalising systems ownership for all applications in use at NWLDC and the associated roles and responsibilities. This should include the:- <ul style="list-style-type: none"> • Senior Management Owner (Usually at Assistant Director Level) • Name of the Systems Owner • Name of the Deputy Systems Owner • Main Systems Administrator 	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
Consideration should be given to developing and rolling out key ICT related policies.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due

Where a decision is taken not to pay for support, this decision should be formally risk assessed and approved by Management. ICT should determine if there are any similar instances where systems are being run unsupported and this decision should be approved by Senior Management, risks assessed and mitigating controls put in place.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
Consideration should be given to testing what would happen if one of the air conditioning units was to stop operating in the main machine room e.g. would the other AC units still function and whether just running on one or two of the AC units would provide adequate cooling.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
Consideration should be given to whether some more operational business tasks currently being undertaken by ICT would, subject to adequate segregation of duties, reside better within the departments e.g. the processing of BACS files.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
Consideration should be given to ascertaining if there are any efficiencies to be gained through automating some of the manual processes currently (e.g. spreadsheets for overtime) undertaken by departments.	Agree	September 2015	Head of Finance in conjunction with ICT Team Manager	Not due
Consideration should be given to implementing capacity monitoring processes to prevent any system downtime as a result of capacity issues and ensure that any areas of concern are addressed in a proactive manner.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
ICT staff should give consideration to undertaking a risk assessment when moving systems to a cloud based system to ensure that key risks have been identified and mitigating controls implemented.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
The ICT Section of the Corporate Business Continuity Plan should be reviewed and updated to reflect timescales that are aligned to operational business needs for the recovery of IT systems and should also detail the new backup arrangements.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
The policy for passwords should be revised to reflect the actual settings. Furthermore the policy should include the requirement for the number of passwords to be retained in the password history.	Agree	January 2016	Head of Finance in conjunction with ICT Team Manager	Not due
Consideration should be given to reviewing the password configurations within key applications to either ensure that they	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due

comply with best practice or that a conscious decision has been made to accept any residual risk of non-compliance (once other controls such as lock out settings have also been taken into account)				
Staff should be reminded on the need to notify ICT and relevant systems administrators promptly when an employee leaves the organisation. Furthermore HR should ensure that leaver forms are promptly sent to ICT so that leavers can be removed from the network. (The feasibility of receiving a monthly leavers report from HR should be investigated as an additional control).	Agree	September 2015	Head of Finance in conjunction with ICT Team Manager	Not due
For the Selima System (HR) consideration should be given to training and assigning another user with HR Super User access in order to ensure system continuity.	Agree	July 2015	Head of Finance in conjunction with ICT Team Manager	Not due
ICT Management should consider undertaking a review of all the generic accounts set up and disable/ delete the accounts as appropriate. This review should also include consideration on whether passwords should be set to expire depending on the level of risk posed if the password for the generic account was breached.	Agree	August 2015	Head of Finance in conjunction with ICT Team Manager	Not due

Public Sector Internal Audit Standards (PSIAS) – Action Plan

Action		Target Date	Status
1	Set-up quarterly meetings with the Chair of the Audit and Governance Committee.	28 th February 2014	Implemented
2	Develop comprehensive performance targets for Internal Audit.	28 th February 2014	Implemented
3	Review the format of the Engagement Plan (Terms of Reference) to ensure conformance with the PSIAS.	28 th February 2014	Implemented
4	Review the format of the Engagement Programme (Audit Programme) to ensure conformance with the PSIAS.	28 th February 2014	Implemented
5	Update the Internal Audit Report format to ensure conformance with the PSIAS.	28 th February 2014	Implemented
6	Update the issuing of reports and the monitoring and follow up of management actions process.	28 th February 2014	Implemented
7	Produce a risk based annual audit plan.	31 st March 2014	Implemented
8	Update the Progress Report to Managers and Audit Committee Members to ensure conformance with the PSIAS.	31 st March 2014	Implemented
9	Update the Declaration of Interest Form for Internal Audit Staff.	31 st March 2014	Implemented
10	The Senior Auditor to provide the Internal Auditors with training in relation to the Bribery Act 2010	31 st March 2014	Implemented
11	Review the Annual Internal Audit Opinion Report to ensure conformance with the PSIAS.	31 st May 2014	Implemented
12	The NWLDC Head of Finance to obtain feedback on the performance of the Chief Audit Executive from the Chief Executive, the Chair of the Audit Committee and Blaby District Council as part of the appraisal process.	31 st May 2014	Implemented
13	Undertake a self-assessment against the PSIAS.	30 th June 2014	Implemented
14	Agree the process for the acceptance and authorisation of consulting engagements.	30 th June 2014	Implemented
15	Develop a Quality Assurance and Improvement Programme.	30 th September 2014	Implemented
16	Review and update the job descriptions and personal specifications for Internal Audit Staff.	30 th September 2014	To be considered as part of NWLDC BEE Valued process.
17	Assess the collective skills, knowledge and competencies of the Internal Audit Team.	31 st December 2014	To be considered as part of NWLDC BEE Valued process.
18	Develop a programme of continuing professional development	31 st December 2014	To be considered as part of NWLDC BEE Valued process.
19	Update the Internal Audit manual.	31 st December 2014	Implemented
20	Review the computer assisted audit techniques available and access whether they could be used to perform audit testing.	31 st December 2014	Discussed with external assessor – not necessary
21	Undertake an assurance mapping exercise.	31 st January 2015	Discussed with external assessor – not necessary
22	Produce an Internal Audit Strategy in conformance with the PSIAS.	28 th February 2015	Discussed with external assessor – not necessary although may consider later in 2015/16.
23	Produce a risk based annual audit plan in conformance with the PSIAS.	28 th February 2015	Implemented
24	Undertake a fraud evaluation of the authority.	31 st March 2015	Implemented

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**AUDIT AND GOVERNANCE COMMITTEE – 24 JUNE 2015**

Title of report	EXTERNAL ASSESSMENT OF INTERNAL AUDIT
Contacts	<p>Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk</p> <p>Senior Auditor 01530 454728 lisa.cotton@nwleicestershire.gov.uk</p>
Purpose of report	To present the findings, and associated action plan, of the External Assessment of Internal Audit that was carried out in April 2015.
Reason for Decision	To comply with the Public Sector Internal Audit Standards.
Council Priorities	Value for Money
Implications:	
Financial/Staff	None
Link to relevant CAT	None
Risk Management	The audit planning process is based on risk assessment.
Equalities Impact Assessment	N/A
Human Rights	N/A
Transformational Government	No direct implications
Consultees	Head of Finance
Background papers	Public Sector Internal Audit Standards
Recommendations	THAT THE COMMITTEE NOTES THIS REPORT AND COMMENTS AS APPROPRIATE.

1. INTRODUCTION

- 1.1 The Public Sector Internal Audit Standards, introduced on 1 April 2013, require an external assessment of compliance with the Standards to be carried out at least once every five years. It was agreed at 25 March 2015 Audit and Governance Committee that CIPFA would carry out the assessment. In previous years the Shared Services Senior Auditor has carried out an annual self assessment and reported the results back to Audit and Governance Committee.

2. EXTERNAL ASSESSMENT REPORT

- 2.1 The external assessment was carried out during April 2015. The assessor spent time at both North West Leicestershire District Council and Blaby District Council. The findings and recommendations apply to both councils.
- 2.2 The report is included at Appendix 1. The assessor did not identify any significant gaps in compliance.

3. ACTION PLAN

- 3.1 The Senior Auditor has prepared an action plan to address the recommendations made. This is included at Appendix 2.

Final Report for the external assessment of the internal audit function

North West Leicestershire & Blaby District Council

Lead Associate: Elizabeth Humphrey, CPFA

**Internal QA: Keeley Lund, Technical Manager, CIPFA, Professional
Standards & Guidance**

12 June 2015

Review of North West Leicestershire and Blaby District Councils' shared audit service (April 2015)

Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS) which have been in place since 1 April 2013. The standards require periodic self-assessments and an assessment by an external person every five years. With the change in senior auditor (known as chief audit executive in the standards), this was deemed a good time for the first external review.

The review was carried out through a process of interview and document review. We spoke to a sample of audit clients, the s151 and monitoring officers, those with responsibility for risk and for governance and the chairs of the two audit committees. I should like to thank all those who took the time to talk to me for their help. We reviewed seven audits carried out during the 2014/15 financial year and we examined key documents including the Charter and reports to audit committees.

We identified no areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity, nor any significant differences in approach between the two councils. It should be recognised, however, that the size of the shared audit service makes it harder to achieve full compliance with all the standards. We have, therefore, made practical and pragmatic medium priority recommendations (R) and lower priority suggestions (S) to improve compliance with the standards without requiring significant extra work. The Senior Auditor will need to prepare an action plan for their implementation.

Summary findings and recommendations

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
Attribute standards				
1000 Purpose, authority and responsibility	Full	The Charter covers all the required areas although it does not give details about how a report of insufficient resources should be managed	Consider specifying who receives a report of insufficient resources and what they should do about it	S1
1100 Independence and objectivity	Full	Independence and objectivity are well managed. The development of all staff working at both authorities is a welcome addition		
1200 Proficiency and due professional care	Full	It was clear from the audit files that audit work is carried out with proficiency and care. However, some planning papers were filed separately from the audit working papers, making it harder to get a complete picture of the risks that were considered	Consider keeping meeting and planning papers with the relevant audit files	S2
1300 Quality assurance and improvement programme	Partial	The QAIP process is still being developed and there are some improvements that should be considered	Consider involving non-audit staff in the annual self-assessment processes or rule this out in the QAIP procedure	S1

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
		<p>Standard 1312 The scope of the external assessment was discussed with the board (ie the audit committees), but the decision to go ahead was not minuted. Timing issues meant that the decision about which assessor to use was made in a private meeting with the sponsor</p> <p>Standard 1321 Because it was still a work in progress, the QAIP was not reported in the annual report for 13/14</p>	<p>Consider including the results of the satisfaction survey in the annual report</p> <p>Discussions about the external assessment should take place during formal audit committee meetings and decisions should be minuted</p> <p>Ensure the QAIP is reported in the annual report when the programme is in place</p>	<p>S2</p> <p>R1</p> <p>R2</p>
Performance standards				
2000 Managing the internal audit activity	Full	Audit planning is undertaken using a detailed risk appraisal and in discussion with senior managers for the 15/16 year. External audit is consulted to synchronise audit activities		
2100 Nature of work	Full	Audits are planned with consideration of governance, risk and fraud and error matters but this is not always made explicit in engagement plans	See below	S6
2200 Engagement planning	Partial	<p>Standard 2201 Planning papers and working drafts of the engagement plan are not kept with the audit papers. It is not, therefore, obvious who has been involved or what has been considered</p> <p>Standard 2210 Although I was assured that fraud, error and vfm are considered in all audits this was not always evident from the engagement plans Risks are considered when planning all audits but they are only explicitly identified in risk-based audits</p>	<p>Consider filing these documents with audit working papers</p> <p>Include overt references to fraud, error and vfm in planning documents</p> <p>Ensure that risks are listed in engagement plans for all audits, including non-risk-based audits.</p>	<p>S5</p> <p>S6</p> <p>S7</p>
2300	Partial	Standard 2330		

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
Performing the engagement		<p>The use of a testing schedule at Blaby makes the documentation of audit work clearer than at NWL</p> <p>Working papers often summarise audit activity rather than give detail, for example, interview notes are not kept on file but are summarised in findings</p> <p>There is no retention policy for audit papers and some confusion over what the custom is</p> <p>Standard 2340</p> <p>Engagement plans and reports are emailed out by the senior auditor (meeting the requirement for the chief audit executive to do this) but copies of the emails are not retained on the audit file so it is not clear either that these have been sent out in her name nor that she has reviewed and agreed them</p> <p>The small team means that the chief audit executive (senior auditor) carries out audit work, which would not happen in a larger team. Supervision and review of such work presents problems</p>	<p>Introduce the testing schedule at NWL</p> <p>Include any handwritten working papers, eg interview notes, in the audit file, by scanning if necessary</p> <p>Agree a retention policy</p> <p>Include the senior auditor's name on engagement plans and reports</p> <p>Continue to explore ways to supervise and review audit work undertaken by the senior auditor</p>	<p>R3</p> <p>R4</p> <p>R5</p> <p>R6</p> <p>S8</p>
2400 Communicating the results	Full	<p>Standard 2410</p> <p>The team uses a standard audit report format which may not contain sufficient details for more contentious audits</p> <p>Standard 2450</p> <p>The audit team uses two forms of opinion – a four level one for individual audits and a three level one for the annual opinion which is potentially confusing.</p> <p>The annual opinion for 2014 was given on the general control environment rather than making it clear that this related to governance, risk</p>	<p>Consider if it would be appropriate to include or offer more detail on more critical reports</p> <p>Revise the opinions so that they are consistent with each other</p> <p>Make it clear that the opinion reflects governance, risk and control, either in the definitions or in the text preceding the definitions</p>	<p>S9</p> <p>R7</p> <p>R8</p>

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
		and control		
2500 Monitoring progress	Full	Follow ups are undertaken on a routine basis every quarter		
2600 Communicating the acceptance of risks	Full	There was no evidence that risks have been left unmitigated following an audit, highlighting the importance placed by both authorities on audit findings		
Code of Ethics	Full	Competency The audit activity has an experienced audit team but there is no detailed training plan to maintain this position	Consider developing a training needs assessment plan	S10

Please note that the senior auditor has details of the findings, standard by standard.
Elizabeth Humphrey CPFA

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Public Sector Internal Audit Standards External Assessment – Action Plan

Standard	Action	Response	Target Date	Status
1000	Consider specifying who receives a report of insufficient resources and what they should do about it (S1).	If this situation was to occur the Senior Auditor would draw this to the attention of all relevant individuals.	N/A	
1200	Consider keeping meeting and planning papers with the relevant audit files (S2).	This is now being applied to 'new' audits and the engagement plans now detail the date of the set up meeting and the attendees.	Immediate	Implemented
1300	Consider involving non-audit staff in the annual self-assessment processes or rule this out in the QAIP procedure (S1).	Will consider as part of the next self-assessment.	May 2016	
1300	Consider including the results of the satisfaction survey in the annual report (S2).	The results are reported in the quarterly progress reports therefore do not consider it necessary to also include in the annual report.	N/A	
1300	Discussions about the external assessment should take place during formal Audit Committee meetings and the decisions should be minuted (R1).	The assessment was discussed at the March 2015 Audit Committee as part of the Internal Audit Progress Report. Within this report the Senior Auditor recommended that the external assessment be carried out and the Committee agreed, indicated by their acceptance of the report. In future the Senior Auditor will ensure all important decisions are minuted explicitly.	Next external assessment not required until 2020 however this approach will be applied at all Audit Committees.	Implemented
1300	Ensure the QAIP is reported in the annual report when the programme is in place (R2).	2014/15 Annual Report includes progress against the QAIP action plan.	May 2015	Implemented
2201	Consider filing working drafts of engagement plans with audit papers (S5).	This is now being applied to 'new' audits and the engagement plans now detail the date of the set up meeting and the attendees.	Immediate	Implemented
2210	Include overt references to fraud, error and value for money in planning documents (S6).	This is now being included overtly as part of the audit objectives.	Immediate	Implemented
2210	Ensure that risks are listed in engagement plans for all audits, including non-risk-based audits (S7).	Risks will be included on all engagement plans.	Immediate	Implemented

2330	Introduce the testing schedule at NWL (R3).	Testing schedules were already being used at NWL however we have made them clearer.	Immediate	Implemented
2330	Include any handwritten working papers, e.g. interview notes, in the audit file by scanning if necessary (R4).	I do not accept this recommendation. We write up notes after the meeting in the compliance testing schedule record. We will make clearer reference to dates/times of interviews in our working papers but as an audit team we do not feel keeping all the handwritten notes would add value.	N/A	Not accepted
2330	Agree a retention policy (R5).	Agreed – in line with LGA guidance it will be 6 years. This will be included in the corporate policy when it reviewed.	Immediate	Implemented
2340	Include the senior auditor's name on engagement plans and reports (R6)	Agreed.	Immediate	Implemented
2340	Continue to explore ways to supervise and review audit work undertaken by senior auditor (S8).	Agreed.	Immediate and ongoing	In progress
2410	Consider if it would be appropriate to include or offer more details on more critical reports (S9).	Report templates are already amended on an audit by audit basis.	N/A	
2450	Revise the opinion so that they are consistent with each other (R7).	Agreed. Annual opinion now based on assurance model used for all audits.	May 2015	Implemented
2450	Make it clear that the opinion reflects governance, risk and control, either in the definitions or in the text preceding the definitions and control (R8).	Agreed.	May 2015	Implemented
Code of Ethics	Consider developing a training needs assessment (S10).	This will be considered as part of the BEE Valued Reflection process. The development element is considered at Q3 meeting.	December 2015	

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**AUDIT AND GOVERNANCE COMMITTEE – 24 JUNE 2015**

Title of report	TREASURY MANAGEMENT STEWARDSHIP REPORT 2014/15
Contacts	<p>Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk</p> <p>Head of Finance 01530 454520 ray.bowmer@nwleicestershire.gov.uk</p> <p>Financial Planning Team Manager 01530 454707 pritesh.padaniya@nwleicestershire.gov.uk</p>
Purpose of report	To inform Members of the Authority's Treasury Management activity undertaken during the financial year 2014/15.
Council Priorities	Value for Money
Implications:	
Financial/Staff	Interest earned on balances and interest paid on external debt, impact on the resources available to the Authority.
Link to relevant CAT	Could impact upon all Corporate Action Teams.
Risk Management	Borrowing and investment both carry an element of risk. This risk is mitigated through the adoption of the Treasury and Investment Strategies, compliance with the CIPFA Code of Treasury Management and the retention of Treasury Management Advisors (Arlingclose) to proffer expert advice.
Equalities Impact Assessment	Not applicable
Human Rights	Not applicable
Transformational Government	Not applicable
Consultees	None

Background papers	<p>Treasury Management Strategy Statement 2014/15 – Council Meeting 25 February 2014 (presented as part of the Budget and Council Tax 2014/15 Report) http://minutes-1.nwleics.gov.uk/ieListDocuments.aspx?CId=129&MId=160&Ver=4</p> <p>Update on HRA Budget, Housing Capital Programme 2014/15, Treasury Management Strategy Statement for 2014/15, Prudential Indicators - Council Meeting 25 March 2014 http://minutes-1.nwleics.gov.uk/ieListDocuments.aspx?CId=129&MId=161&Ver=4</p> <p>Additional Costs Of the Decent Homes Improvement Programme 2014/15 and updated HRA Business Plan – Council Meeting 16 September 2014. http://minutes-1.nwleics.gov.uk/ieListDocuments.aspx?CId=129&MId=1344&Ver=4</p> <p>Treasury Management Activity Report , April 2014 to August 2014 – Audit and Governance Committee 24th September 2014 http://minutes-1.nwleics.gov.uk/ieListDocuments.aspx?CId=125&MId=1327&Ver=4</p> <p>Treasury Management Activity Report , April 2014 to October 2014 – Audit and Governance Committee 10th December 2014 http://minutes-1.nwleics.gov.uk/ieListDocuments.aspx?CId=125&MId=1328&Ver=4</p> <p>Treasury Management Activity Report , April 2014 to February 2015 – Audit and Governance Committee 25th March 2015 http://minutes-1.nwleics.gov.uk/ieListDocuments.aspx?CId=125&MId=1329&Ver=4</p>
Recommendations	THAT MEMBERS APPROVE THIS REPORT.

1.0 BACKGROUND

- 1.1 The Authority's Treasury Management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the code"), which requires local authorities to produce Prudential Indicators and a Treasury Management Strategy Statement annually on the likely financing and investment activity.
- 1.2 This report fulfils the Authority's legal obligation under the Local Government Act 2003, to have regard to both the CIPFA Code and the CLG Investment Guidance.
- 1.3 Treasury Management is defined as "the management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

- 1.4 The Authority's current Treasury Management Strategy Statement, including the Borrowing Strategy, Debt rescheduling Strategy, Annual Investment Strategy, Prudential Indicators and Annual Minimum Revenue Position Statement for 2014-15 were approved by Council on 25 February 2014.
- 1.5 The Treasury Management Stewardship Report is supplemented by three in-year reports to the Audit and Governance Committee on 24 September 2014, 10 December 2014 and 25 March 2015.

2.0 THE U.K. ECONOMY AND EVENTS

- **Growth and Inflation:** The robust pace of GDP growth of 3% in 2014 was underpinned by a buoyant services sector, supplemented by positive contributions from the production and construction sectors. Resurgent house prices, improved consumer confidence and healthy retail sales added to the positive outlook for the UK economy given the important role of the consumer in economic activity.
- Annual CPI inflation fell to zero for the year to March 2015, down from 1.6% a year earlier. The key driver was the fall in the oil price (which fell to \$44.35 a barrel a level not seen since March 2009) and a steep drop in wholesale energy prices with extra downward momentum coming from supermarket competition resulting in lower food prices. Bank of England Governor Mark Carney wrote an open letter to the Chancellor in February, explaining that the Bank expected CPI to temporarily turn negative but rebound around the end of 2015 as the lower prices dropped out of the annual rate calculation.
- **Labour Market:** The UK labour market continued to improve and remains resilient across a broad base of measures including real rates of wage growth. January 2015 showed a headline employment rate of 73.5%, while the rate of unemployment fell to 5.5% from 7.2% a year earlier. Comparing the three months to February 2015 with a year earlier, employee pay increased by 1.9% including bonuses and by 2.2% excluding bonuses.
- **UK Monetary Policy:** The Bank of England's MPC maintained interest rates at 0.5% and asset purchases (QE) at £375bn.

3.0 THE AUTHORITY'S TREASURY POSITION.

3.1 The Authority's gross / net debt and investment positions are as follows:

DEBT	Balance at 01/4/2014 £m	%	Maturing loans £m	Premature redemptions £m	New Borrowing £m	Balance at 31/03/2015 £m	%
Long-term fixed rate (PWLB & Bonds)	£87.523m		£2.009m	£0.000m	£0.000m	£85.514m	
Long-term variable rate	£0.000m		£0.000m	£0.000m	£0.000m	£0.000m	
Temporary Borrowing	£0.000m		£0.000m	£0.000m	£0.000m	£0.000m	
Total borrowing	£87.523m	99.84	£2.009m	£0.000m	£0.000m	£85.514m	99.85
Other long-term liabilities	£0.136m	0.16	£0.010m	£0.000m	£0.000m	£0.126m	0.15
TOTAL EXTERNAL DEBT	£87.659m	100	£2.019m	£0.000m	£0.000m	£85.640m	100
INVESTMENTS	Balance at 01/4/2014 £m	%	Maturities £m	Sales £m	New Investments £m	Balance at 31/03/2015 £m	%
Internally Managed	£20.728m	100	£155.269m	£0.000m	£155.786m	£21.246m	100
Investments with maturities up to 1 year,	£18.728m	90.35	£155.269m	£0.000m	£152.786m	£16.246	76.47
Investments with maturities in excess of 1 year	£2.000m	9.65	£0.000m	£0.000m	£3.000m	£5.000m	23.53
Externally Managed Investments	£0.000m	0	£0.000m	£0.000m	£0.000m	£0.000m	0
TOTAL INVESTMENTS	£20.728m	100	£155.269m	£0.000m	£155.786m	£21.246m	100
NET DEBT	£66.931m					£64.394m	

3.2 Two PWLB loans, taken out as part of the self-financing system of Council Housing in 2011/12, were on an annuity basis and have repayment of principal included. This is shown in the table in the column 'Maturing Loans'.

3.3 A market loan with a value of £1m was also repaid in the year and is shown in the above table in the column 'Maturing Loans'

3.4 In 2014/2015, the capacity for investment has increased by £0.5m. The volatility of balances is normal throughout the year and a number of factors contribute to this:

- The Authority traditionally benefits from the receipt of Council Tax and Business Rates during the first ten months of the financial year;
- Revenue expenditure is more evenly weighted throughout the financial year;
- Capital expenditure is more heavily weighted towards the latter part of the financial year due to the time required to schedule programmes of work or award contracts.
- The patterns of income and expenditure are reflected in the Authority's cash flow projections. This is monitored and revised daily.

3.5 The increased capacity for investment is: in part due to the allocation of the Decent Homes Grant (£7.4m) which is offset by increased expenditure on the Decent Homes Improvement Programme; sales of houses under the 'Right to Buy' scheme and other Housing property in 2014/15 (£1.2m) and the timing of income and expenditure.

4.0 BORROWING ACTIVITY.

- 4.1 The Authority's Borrowing Strategy 2014/15, approved by Council on 25 February 2014, incorporates a prudent and pragmatic approach to borrowing to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the Authority's Prudential Indicators.
- 4.2 No loans that matured in 2014/15 require replacement.
- 4.3 The Authority did not undertake any new long-term borrowing during the year and interest payments totalling £2.91m were made in respect of existing debt.
- 4.4 The Authority's cash flow remained positive during the period. The Authority did not require any temporary loans during the period.
- 4.5 The Authority had approximately £4.8m of internal debt at 31 March 2015 as this is currently judged to be the most cost effective means of funding the capital programme.
- 4.6 The Estimated Minimum Revenue Provision (MRP) charge that was made to the revenue account for 2014/15 was £1.579m and includes both Housing (£1.009m) and General Fund (£0.570m). The Housing MRP equates to the repayments made in relations to loans taken out as part of the Housing self financing in 2011/12. The MRP is intended to ensure that the capital financing debt is paid off over the longer term.

5.0 DEBT RESCHEDULING ACTIVITY.

- 5.1 The Authority's Debt Rescheduling Strategy 2014/15, which was approved by Council on 25 February 2014, establishes a flexible approach where the rationale for rescheduling could be one or more of the following:
- Savings in interest costs with minimal risk.
 - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio.
 - Amending the profile of maturing debt to reduce any inherent refinancing risks.
- 5.2 No opportunities for debt rescheduling were identified which conformed to the above rationale. Accordingly, the Authority has undertaken no debt rescheduling activity during the period.
- 5.3 The Authority's portfolio of 13 loans - 10 PWLB loans and three market loans - will continue to be monitored for debt rescheduling opportunities that comply with the Authority's Policy and rationale.

6.0 INVESTMENT ACTIVITY

- 6.1 The Authority's Investment Policy and Strategy 2014/15, which was approved by Council on 25 February 2014, established that the major policy objective is to invest its surplus funds prudently.

6.2 The Authority's investment priorities are:

- security of the invested capital;
- sufficient liquidity to permit investments; and,
- optimum yield which is commensurate with security and liquidity.

6.3 The counterparties that the Authority currently utilise all meet the criteria set out in the Treasury Management Strategy Statement 2014/15 and are monitored by the Authority's Treasury Management Advisors. The minimum long term rating for counterparties is A- or equivalent. The counterparties and amounts invested at 31 March 2015 are shown below:

Counterparty	Length of Investment	£m
HSBC	Overnight	1.0
Lloyds Banking Group / Bank of Scotland	Overnight	2.0
Santander	Overnight	1.0
Handelsbanken	Overnight	0.5
Black Rock MMF	Overnight	0.0
Goldman Sachs MMF	Overnight	0.0
Scottish Widows Investment Partnership	Overnight	0.0
CCLA Investment Management Ltd MMF	Overnight	0.5
Barclays Treasury Direct	3 Months	2.7
Nationwide Building Society	100 days	1.5
Leeds Building Society	100 days	1.0
Cumberland Building Society	100 days	1.0
Barnsley Metropolitan Borough Council	364 days	3.0
North Tyneside Council	364 days	2.0
Staffordshire Moorland	3 Years	2.0
Greater London Authority	3 Years	3.0
Total Invested		21.2

6.4 The average rate of return on the Authority's investment balances during the year was 0.6038%. For comparison purposes, the benchmark return (average 7-day London Interbank Bid Rate or LIBID rate) for 2014/15 was 0.44%. The average 7 day London Interbank Offered Rate (LIBOR) for 2014/15 was 0.48%. The comparison of rates of return against a benchmark is less relevant when set against the ultimate priority of security as set out in the Authority's Treasury Management Strategy Statement 2014/15.

6.5 The Authority budgeted to achieve £68,000 of income from its investment activity in 2014/15. The average cash balances representing the Authority's reserves, capital receipts and working balances were £30.4m during the year (2013/14 £20.9m). The total interest earned on investments was £188,046 (2013/14 £111,957). Of this total interest, £16,487 is applied to balances held on external income (2013/14 £15,333). This external income represents balances from S106 contributions for schemes such as Healthcare, affordable housing and recreation that have not yet been spent.

6.6 The remaining balance of interest (£171,559) received on investment income is budgeted to be apportioned between General Fund and the Housing Revenue Account based on an estimated cash flow position. For 2014/15, the budgeted investment income is apportioned

as follows: £43,000 General Fund and £25,000 Housing Revenue Account and the over achievement of interest is apportioned on this basis. The outturn position of investment income achieved for 2014/15 is: £108,486 General Fund and £63,073 HRA.

2014/15	Budget	Actual
General Fund	£43,000	£108,486
HRA	£25,000	£63,073
External Balances	£ 0	£16,487
Total	£68,000	£188,046

7.0 THE AUTHORITY'S BANKER

- 7.1 The Authority now has an active daily banking account in place with Lloyds bank. The Lloyds bank account bears interest on daily cleared balance at a rate 0.10% below the Bank of England base rate. A transition period has been put in place to ensure all transactions are processed on the new account before the Co-op General Bank account is closed.
- 7.2 A new billing Co-op Bank account has been setup which will only be used to accommodate receipt of PayPoint payments. This account will be monitored and emptied into the new Lloyds Bank account on a daily basis.
- 7.3 In addition, with weekends the most likely time for regulatory action to occur on the Co-op bank account, and with the bail-in system whereby the Authority would be an 'unsecured creditor', in order to mitigate this risk, the Authority will continue to make every effort to keep the ledger balance in the Co-op bank account at close to zero at the close of each business day by following the Authority's existing treasury management practices. The additional secondary daily check will continue to further mitigate the risks outlined.

8.0 SUMMARY

- 8.1 The Authority can confirm that it has complied with its Prudential Indicators for 2014/15, which were approved on 25 February 2014 and the subsequent update on 16 September 2014 as part of the Authority's Treasury Management Strategy Statement.
- 8.2 In compliance with the requirements of the CIPFA Code of Practice, this report provides members with a summary report of the Treasury Management activity during 2014/15. No indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.
- 8.3 The Authority can confirm that during 2014/15, it has complied with its Treasury Management Strategy Statement, policies and Treasury Management Practices.

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**AUDIT AND GOVERNANCE COMMITTEE
WORK PLAN 2015 - 16**

Issue	Details	Meeting at which will be reported
Internal Audit Update Report	To receive an update report on the Internal Audit Plan	23 September 2015
Treasury Management Activity Report	To consider the Treasury Stewardship report	23 September 2015
Annual Governance Statement	To consider the Annual Governance Statement	23 September 2015
Statement of Accounts	To consider the Statement of Accounts	23 September 2015
Standards Quarterly Report	To receive the quarterly report	23 September 2015
Report to those Charged With Governance	To consider the Report Charged with Governance	23 September 2015
Annual Audit Letter	To consider the Annual Audit Letter	9 December 2015
Internal Audit Plan Update Report	To receive an update report on the Internal Audit plan	9 December 2015
Treasury Management Activity Report	To consider the Treasury Stewardship report	9 December 2015
Standards Quarterly Report	To receive the quarterly report	9 December 2015
Member Conduct Annual Report	To consider the Annual Report.	23 March 2016

Updated: 13/05/15

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