

AUDIT PANEL		
Report Title	Internal Audit Update Report	
Key Decision	No	Item No. 10
Ward	ALL	
Contributors	Head of Corporate Resources	
Class	Part 1	Date: 26 March 2019

1. Purpose of the report

- 1.1. This report presents members of the Audit Panel with:
- Progress against the internal audit plans – corporate and schools, and
 - Progress of implementation of internal audit recommendations.
 - Indicative draft internal audit plan for 2019-20.

2. Recommendations

- 2.1. It is recommended that the Audit Panel note the contents of this report.

3. Executive Summary

Progress against the corporate audit plan

- 3.1. 70% of the plan is at least to Terms of Reference stage. Some audits have had to be deferred or cancelled mainly due to resource issues for both the in-house team and contractor.
- 3.2. All those audits in the current plan are expected to be completed in time for the annual assurance report to be presented to the Audit Panel in June 2019.
- 3.3. There were no limited reports issued since the last meeting.
- ### High or Medium recommendations not agreed by management
- 3.4. Management agreed all High and Medium recommendations made.
- ### Follow up reviews
- 3.5. There were three follow up reviews. All the actions followed up were either implemented or in progress.
- ### Management progress against actions agreed
- 3.6. 44% of open actions were overdue (this is 34% after taking out the apprenticeship actions which the internal control board agreed should be treated as one – to address the governance and strategy – going forward)

which is an increase since the last meeting. In addition 38% of open actions are taking 12 months of more to complete, but this has remained static.

Types of controls for corporate audit actions

- 3.7. Overall for the year, procedures and Compliance / Legal controls are where the most actions made, not segregation or duties or reconciliations as previously.

Schools - audit plan, progress on recommendations and follow-up reviews

- 3.8. All school have now had their audit visit. One limited report was issued since the last meeting.

Indicative plan

- 3.9. An outline of the plan and resources is presented for information. However, the full plan will be presented to Members in July for approval once the full year's work is completed so it will be more current and relevant.

Any other business

- 3.10. Agency staff are in the process of being recruited, alongside a temporary Head of Internal Audit.

4. Background

- 4.1. Internal Audit is a statutory service. Its main priority is to provide management and members with independent and objective assurance on the control environment within the Council. This is set out more fully in the Charter.
- 4.2. The internal audit service consists of an in-house team that is supported by external service providers.
- 4.3. This report details work as at the 28 February 2018, unless otherwise stated.

5. Progress against the corporate internal audit plan

- 5.1. As at 7 March, there were 31 out of the 44 (70%) audits to at least the issue of the Terms of Reference stage.
- 9 Finalised
 - 4 Draft
 - 2 Exit meeting / Review stage
 - 6 Fieldwork
 - 10 ToR issued
- 5.2. Of the 13 not issued with a ToR :
- 8 are IT audits.
 - 5 are core audits, with 4 have had entry meetings, and 1 is being done near to the end of March
- 5.3. All audits are expected to be completed in time for the annual assurance report.

- 5.4. The grant certification (Supporting Families) is on-going. See appendix 1 for further detail on the status of the whole corporate plan.
- 5.5. Since the last meeting, four corporate reports were finalised. The table below shows them with the audit opinion, and number or recommendations.

Audit (Corporate)	Date of Final	Audit Opinion	Follow up due	H	M	L
				Recs made		
2018/19-63 – Corporate Health and Safety	20/02/19	Substantial	n/a	-	1	1
2018/19-18 - Business Continuity Plans (BCP) - Core	02/01/19	Satisfactory	n/a	1	3	-
2018/19-35 - Disability Facilities Grant (DFG)	17/12/18	Substantial	n/a	-	4	1
2018/19-57 - Treasury Management 18-19	02/02/19	Substantial	n/a	-	5	3

Cancelled / Deferred

- 5.6. There was 10 audit deferred or cancelled since the last meeting:
- 2018/19-75 - Multi Agency Safeguarding Hub (MASH) Adults – Cancelled – service changes not yet in place so nothing to audit in 2018/19.

Deferred / cancelled due to limited in-house resources

- 2018/19-05 - Bereavement Services – deferred to 19-20 Qrt 1
- 2018/19-06 - Handover from Hospital Discharge Neighbourhood Team - – deferred to 19-20 – Qrt 1
- 2018/19-64 - Planning Control – deferred to 19-20
- 2018/19-67 - School Finance – deferred to 19-20 Qrt 1/2
- 2018/19-82 - Rogue Landlords – deferred to 19-20 Qrt 1/2
- 2018/19-36 - Early Help Service – deferred to 19/20

Deferred due to contractor resources lack of specialist as requested

- 2018/19-62 - Contract Management
- 2018/19-68 - Tendering / Procuring contracts and supplier resilience

- 5.7. It should be noted however, resources permitting any of the deferred work would be brought back into 18/19 if possible.

Resourcing issues and reasons for delays in-house

- 5.8. The in-house team has had resourcing issues during this year that have contributed to the in-house part of the plan falling behind.

Resource issues were:

- Member of staff went on maternity leave in November;

- A failed recruitment exercise in August;
 - New member of staff not starting until January;
 - Temporary member of staff starting in November; and
 - At the time of writing, no agency staff in place (failed recruitment).
- 5.9. Resources also had to be diverted to help train on the new audit ware system, oversee new staff, and train up an inexperienced member of staff on the audit process.
- 5.10. While the schools' programme is practically complete, there have been several school reports with multiple recommendations (both Limited and Satisfactory report) and audit date changes. As such they have taken longer to complete than normal. The schools audit approach is to be reviewed with the CYP lead, including how implementation of actions is monitored.

Resourcing issues and reasons for delays - Contractors

- 5.11. Normally, where it is known that the in-house plan may not be completed in time, there is the option of referring the work to the contractor to complete.
- 5.12. However, due to their own resources constraints this year, the internal audit manager did not have the confidence to refer extra work to them and expect it to be completed in time for the annual assurance report.
- 5.13. Specialist staff such as IT and Contract auditors have left and they are having difficulty replacing them (industry issue – not specific to the contractor). Hence why the contract audits were taken away this year, as it would not be completed in time for the annual assurance report.
- 5.14. The graduates that the contractor normally employs are not staying as long as they used to due to the change in the IIA qualification (i.e. taking a much shorter time to qualify). This has resulted in a higher than expected turnover of staff. Although this being addressed, it will not be in time for this year.
- 5.15. A key member of the contractor's team who oversees the work for Lewisham and conducts the more technical audits is also leaving mid-March.

Additional work

- 5.16. There was no additional assurance or consultancy work required or requested.

6. High or Medium recommendations not agreed by management

- 6.1. Where management do not agree high or medium recommendation, the recommendation goes before the next Internal Control Board (ICB) for the final decision.
- 6.2. Management agreed all High or Medium recommendations made.

7. Follow-up reviews

- 7.1. Internal audit conducts a formal follow up review on all reports with a Limited or No Assurance opinion, and Consultancy reviews. Internal audit also reserve the right to follow-up on any audit or any individual action as required.
- 7.2. The table below lists the follow-ups conducted since the last meeting, showing the number of implemented, in progress, not implemented and reopened actions.

Audit	Date of follow up	Implemented	In Progress	Not Implemented	Re-opened
2018/19 - F01 - Health Visiting Contract Monitoring	07/01/19	3	6	-	-
2018/19 - F04 - Monitoring of Child Care Providers	14/02/19	1	6	-	-
2018/19 – F11 – General Data Protection Regulation (GDPR) Preparation	25/02/19	7	2	-	2

8. Progress against Management Actions

Overdue actions

- 8.1. This section reports on the status of management actions since the last meeting.
- 8.2. While internal audit still makes recommendations in their reports, it is the management actions are now tracked and reported on. Actions now have the due dates and owners against them, rather than the recommendations.
- 8.3. There may be more than one action to a recommendation. This means that it may not always be able to compare like for like until a few reports time.
- 8.4. Please note, the recommendations in reports prior to 2018/19, are now treated as actions for ease of reporting.
- 8.5. The cut-off date for management to respond by was the 28/02/19.
- 8.6. To accompany the table, appendix 2 lists the individual audits with actions that overdue and / or show those taking 12 months or more to complete.
- 8.7. There was a sharp increase in overdue actions. However, it should be noted that although some officers updated the action with a progress update, they did not change the due date. This means that they are being reported as overdue, regardless of updates. Also the Internal Control Board agreed that the 17

actions arising from the Apprenticeship Levy audit should be consolidated into one to reset the strategy and governance arrangements for this activity, with the Head of HR and OD responsible.

Month of meeting	Current no. of open actions	No. of overdue actions	Percentage of overdue actions
Mar 19	183	80	44%
Dec 18	170	45	26%
Sep 18	164	50	30%
Jul 18	167	68	41%
Mar 18	159	54	34%

Aged analysis report

8.8. This age analysis for actions is worked out by using the current due date for each open action against the date of the final report.

Month of Meeting	No. of recs under 3 mths	No of recs 3 under 6 mths	No of recs from 6+ to 9 mths	No. of rec 9+ to 12 mths	No of recs 12+ to 18 mths	No of recs over 18+ mths	No / % of recs over 12 m
Mar 19	38	34	28	14	29	40	69 / 38%
Dec 18	30	32	32	12	25	39	64 / 38%
Sep 18	31	29	28	19	25	32	57 / 35%
Jul 18	44	35	24	13	37	14	51 / 30%
Mar 18	59	26	11	16	30	17	47 30%

8.9. The table above shows that the percentage of open actions that are taking over one year to be completed. The percentage of actions taking over 12 months remains static. Please see appendix 2 for details.

8.10. All responsible officers for actions now over one year old are being required to submit an explanation to the April meeting of the internal control board to explain the reasons for the delay in their implementation. Any additional action to close these actions off will then be considered.

9. Control issues found

- 9.1. The section reports on the types of controls as they relate to High or Medium findings. One finding may have more than one control recorded against it. This is because the controls are connected to the management actions.
- 9.2. For example – a finding could state that a policy was not in place. The actions for this finding could state that management will create a policy (Policies), get it approved (Governance) and then publish it (Other). As such, it would show three controls against one finding.
- 9.3. The table below provides the number of actions per control in relation to the reports issued during 18/19. Going forward they will be shown by meeting in line with other tables in this report.
- 9.4. In Appendix 3, it shows each finding and what controls are recorded against it for audits issued since the last meeting.
- 9.5. This table shows that main areas to date where actions are made are:
- Compliance / Legal – 27 (33%), and
 - Procedures – 19 (23%).

Type of control	From April to Nov 19	Mar 19	Running Total
Authorisation	-	2	2
Compliance / Legal	27	-	27
Financial / Budget Monitoring	3	1	4
Governance	5	1	6
Information Security	6	4	10
Policies	2	2	4
Procedures	11	8	19
Reconciliations	1	-	1
Separation of duties	-	-	-
Other	6	2	8
Total per month	63	20	83

10. Progress against schools' internal audit plan

- 10.1. Of the 27 schools in the plan, all schools have had an audit visit. See appendix 4. There were six school audits finalised since the last meeting. Of these, one was Limited. The executive summary for this audit is in appendix 6.

Audits (Schools)	Date of Final	Audit Opinion	Recs. Made		
			H	M	L
2018/19-24 - Chelwood Nursery School 2018-19	01/12/18	Satisfactory	-	11	3
2018/19-29 - Conisborough College 18-19	07/03/18	Limited	2	13	9
2018/19-37 - Edmund Waller Primary 18-19	17/12/18	Satisfactory	-	12	5
2018/19-39 - Forest Hill Secondary School 18-19	28/11/18	Satisfactory	-	9	7
2018/19-51 - Kender Primary School 2018-19	27/12/18	Satisfactory	2	10	6
2018/19-53 - Holbeach Primary School 2018-19	15/01/19	Substantial	-	6	5

School actions

- 10.2. The table below shows the status of open High and Medium actions as at the 28/02/19. The percentage of overdue recommendation that are overdue, has increased to 76%. However, currently the officer who requests the information from schools is unable to chase.
- 10.3. The status of the individual schools where actions are overdue can be found at appendix 5.

Month of meeting	Current no. of open recs	No. of overdue recs	Percentage of overdue recs to open
Mar 19	253	191	76%
Dec 18	234	160	68%
Sep 18	148	99	66%
Jul 18	142	65	46%
Mar 18	99	60	61%

School follow up reviews

10.4. There were no school follow up reviews issued since the last report.

11. Indicative audit plan for 2019/20

11.1. The plan is just for information at this stage, as a more detailed plan will be presented to members in July for their approval. The indicative plan for 19/20 can be found at appendix 7. However, it only shows school and annual core financials at this stage. Currently this allocates approx. 270 days for corporate work and 145 days for schools work, or half the available audit days for the year. The more detailed plan will include:

- Indicative scope
- Days per audit
- Split between in-house and contractor (or agency)
- Type of audit
- Link to the corporate risk register, and
- Expected timing where know.

11.2. The reason for presenting the plan in July, is so it can be more up to date, and therefore more relevant. It will take into consideration the most recent updates to the risk register, allow for new senior officers to embed and know their areas, and review the most recent completed services plans aligned to the new corporate strategy (due for completion in May).

11.3. As noted at 5.14, an improvement to next year plan is to conduct all the school audits between May and July, rather than doing them throughout the year. This will then allow the in-house to concentrate completing the corporate plan once completed, and be able to start core financials in qtr. 3 as expected.

12. Any other business

12.1. A new Principal Auditor started in January. At the time of writing, adverts are out again to recruit a suitable temporary principal auditor

12.2. Due to the change in role of the Head of Corporate Resources to the Acting Chief Finance officer, the risk of conflicts of interest returned and so a temporary Head of Internal Audit and Risk is being recruited for.

13. Legal implications

13.1. There are no legal implications arising directly from this report.

14. Financial implications

14.1. There are no financial implications arising directly from this report.

15. Equalities implications

15.1. No direct equalities implications have been identified, in terms of adverse impact, with respect to the Council's obligations under the Equality Act 2010

16. Crime and disorder implications

16.1. There are no crime and disorder implications arising directly from this report

17. Environmental implications

17.1. There are no specific environmental implications arising directly from this report

18. Background papers.

18.1. There are no background papers.

If there are any queries on this report, please contact:

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Appendix 1 – Progress on the corporate audit plan 2018-19

Audit	Audit type	Milestone	Final Report Date	Assurance opinion	H	M	L
2018/19-43 - Adherence to the Local Government Transparency Code	Corporate	Final Report	12/10/18	Limited	1	3	-
2018/19-03 - Deprivation of Liberty Safeguards (DoLs)	Corporate	Final Report	19/10/18	Satisfactory	1	6	1
2018/19-04 - Apprenticeship Levy Spend including Professional Qualifications	Corporate	Final Report	27/09/18	Limited	3	8	-
2018/19-74 - Complaints (Corporate)	Corporate	Final Report	06/11/18	Satisfactory	-	6	1
2018/19-18 - Business Continuity Plans (BCP) - Core Processes	Corporate	Final Report	02/01/19	Satisfactory	1	3	-
2018/19-35 - Disability Facilities Grant (DFG)	Corporate	Final Report	17/12/18	Substantial	-	4	1
2018/19-57 - Treasury Management 18-19	Core Financial	Final Report	02/02/19	Substantial	-	5	3
2018/19-63 - Corporate Health and Safety	Corporate	Final Report	20/02/19	Substantial	-	1	1
2018/19-76 - Lewisham Services for Schools Website	Corporate	Final Report	03/03/19	Substantial	-	3	3
2018/19-30 - Pensions and Investments 18-19	Core Financial	Draft Report					
2018/19-44 - Housing Benefit and Council Tax Reduction Scheme (CTRS) 18-19	Core Financial	Draft Report					
2018/19-79 - Fostering Arrangements	Corporate	Draft Report					
2018/19-81 - Implementation of GDPR	Corporate	Draft Report					
2018/19-34 - Direct Payments 18-19	Core Financial	Review stage					
2018/19-23 - Payroll 18-19	Core Financial	Exit meeting					
2018/19-66 - Recruitment Process	Corporate	Fieldwork End					
2018/19-07 - Accounts Payable 18-19	Core Financial	Fieldwork Start					
2018/19-14 - Capital Expenditure 18-19	Core Financial	Fieldwork Start					

Appendix 1 – Progress on the corporate audit plan 2018-19

Audit	Audit type	Milestone	Final Report Date	Assurance opinion	H	M	L
2018/19-28 - Domestic Waste Management	Corporate	Fieldwork Start					
2018/19-56 - Homecare Service	Corporate	Fieldwork Start					
2018/19-65 - Pooled Budgets and Section 75 Payments	Corporate	Fieldwork Start					
2018/19-08 - Accounts Receivable and Debt Recovery 18-19	Core Financial	ToR					
2018/19-17 - Banking 18-19	Core Financial	ToR					
2018/19-26 - Payments to Child Care Provider and Foster Carers for Looked After Children 18-19	Core Financial	ToR					
2018/19-27 - Client Contribution for Care Provision 18-19	Core Financial	ToR					
2018/19-31 - Council Tax 18-19	Core Financial	ToR					
2018/19-25 - Children in Need (CIN) Framework	Corporate	ToR					
2018/19-32 - Performance Management Framework for Child Social Care (CSC)	Corporate	ToR					
2018/19-61 - Besson Street Project	Corporate	ToR					
2018/19-78 - Special Educational Needs	Corporate	ToR					
2018/19-69 - Icasework IT System	IT Review	ToR					
2018/19-13 - Budget Setting and Monitoring 18-19	Core Financial						
2018/19-19 - Main Accounting 18-19	Core Financial						
2018/19-21 - Non-Current Assets 18-19	Core Financial						
2018/19-22 - Business Rates 18-19	Core Financial						

Appendix 1 – Progress on the corporate audit plan 2018-19

Audit	Audit type	Milestone	Final Report Date	Assurance opinion	H	M	L
2018/19-77 - Payments to Adult Care Providers 18-19	Core Financial						
2018/19-12 - Adult Care System (ACS) interface with Financial System	IT Review						
2018/19-15 - ASH - Debt Recovery System	IT Review						
2018/19-58 - OracleCloud - Financials	IT Review						
2018/19-59 - OracleCloud - HR	IT Review						
2018/19-60 - OracleCloud - Payroll	IT Review						
2018/19-70 - New Phone System and BCP	IT Review						
2018/19-71 - Office 365 and SharePoint	IT Review						
2018/19-73 - Self Service IT processes	IT Review						

Appendix 2 - Status of corporate actions.

Name of Audit (Corporate)	Opinion	Final Report Date	Actions Overdue		Actions taking over 12mth	
			H	M	H	M
Accounts Payable 2016-17	Satisfactory	16/03/17		1		2
Adherence to the FOIA and DPA 17-18	Satisfactory	06/02/18				1
Adoption Process	Satisfactory	19/07/18		5		
Adult Social Care System - Back up and BCP	Limited	04/04/16	1	1	1	1
Apprenticeship Levy Spend including Professional Qualifications	Limited	27/09/18	7	10		
Banking 16-17	Limited	18/05/17				1
Banking 17-18	Satisfactory	22/02/18			3	
Budget Monitoring and Setting 2017-18	Satisfactory	05/12/17		2		2
Business Continuity Management - Adult Social Care Providers	Limited	20/06/17		1		1
Business Continuity Plans (BCP) - Core Processes	Satisfactory	02/01/19	1			
Catford Regeneration Partnership Ltd	Limited	17/05/18			1	
Client Contributions to Care Provision 16-17	Satisfactory	24/05/17				1
Corporate Health and Safety	Substantial	20/02/19		1		
Data Breach Management	Limited	18/05/17				3

Appendix 2 - Status of corporate actions.

Name of Audit (Corporate)	Opinion	Final Report Date	Actions Overdue		Actions taking over 12mth	
			H	M	H	M
Deprivation of Liberty Safeguards (DoLs)	Satisfactory	19/10/18	4	2		
Direct Payments 17-18	Satisfactory	22/03/18				1
Expenses Reimbursed by Payroll 16-17	Satisfactory	30/01/17				1
Garden Waste Service 2017/18	Satisfactory	05/01/18		2		
GDPR Readiness	Consultancy	19/04/18				2
Governor Services	Substantial	05/06/18		1		
ICT Disaster Recovery	Substantial	11/04/17		1		1
Initial Contact, Information and Advice	Consultancy	29/05/18		2		1
IT Helpdesk - Shared Services	Substantial	17/05/18		2		
Main Accounting 17-18	Satisfactory	06/02/18			1	2
Main Grant Programme 2017/18	Satisfactory	28/06/18		5		
Mobile Devices Contract 16-17	Satisfactory	07/07/17				2
Monitoring of Child Care Providers	Limited	17/10/17		3	2	4
Multi-Agency Safeguarding Hub Arrangements 2017/18	Consultancy	28/09/17		2	1	5

Appendix 2 - Status of corporate actions.

Name of Audit (Corporate)	Opinion	Final Report Date	Actions Overdue		Actions taking over 12mth	
			H	M	H	M
Oracle Cloud - Migration 17-18	No Assurance	02/07/18	1			
Parking Contract 2017/18	Satisfactory	27/11/17				1
Passenger Services	Substantial	18/05/18				1
Payments to Adult Care Providers 17-18	Satisfactory	27/04/18				1
Payments to Care Providers and Foster Carers 2017-18	Satisfactory	19/03/18	1	1		
Payroll 2017-18	Substantial	05/12/17				1
Pensions 17-18	Satisfactory	15/01/18				2
Performance Indicators and Service Planning 17-18	Consultancy	21/07/17				2
PFI Monitoring - School 15-16	Satisfactory	15/08/16		1		1
Prepaid Cards 16-17	Limited	17/03/17				4
Procurement Arrangements 17-18	Consultancy	03/07/18		1		
Public Sector Network 16-17	Limited	01/02/17		1		1
Recording of Safe Guarding – Section 42 Referrals	Limited	03/07/17		8		8
Reed Agency 17/18	Satisfactory	26/06/18				1

Appendix 2 - Status of corporate actions.

Name of Audit (Corporate)	Opinion	Final Report Date	Actions Overdue		Actions taking over 12mth	
			H	M	H	M
Risk Framework 17-18	Satisfactory	04/06/18		1		
Schools' Catering Contract 16-17	Limited	03/03/17		3		3
Small and Faith Fund Grants 2017/18	Satisfactory	28/06/18		3		
South London and Maudsley NHS (SLaM)	Satisfactory	14/07/15		1		1
Synergy Application	Satisfactory	19/06/18	1	1		
Vehicle and Fuel Maintenance	Satisfactory	19/06/17	1	1	1	1
		total	17	63	10	59

Appendix 3 – Types of Controls

Finding	Authorisation	Financial / Budget Monitoring	Governance	Information Security	Other	Policies	Procedures
Policies and procedures were not up to date on the intranet.						1	
The certificate of intended letting was signed by the tenant instead of the owner	1						
The responsibilities of service teams in their delegated authority to publish SLA's are not formally documented.							1
The terms of reference for the Emergency Planning Resilience Response Forum had not been evidenced as reviewed since 4 July 2015.			1				
At the time of the audit, formal feedback from users of the website had not been sought.					1		
Services had not tested (or documented) their respective BCPs for effectiveness.							1
Health and Safety Manual to update or remove from intranet.							1
The proof of ownership search was not carried in four cases relating to social housing.						1	
BCPs were not evidenced or held by the Business Continuity Team for some services							1
Expired articles on the website are not being archived.							2
Delays to the processing of the application due to quotes not received within a timely manner.	1						
Not reviewing their BCPs within the required two year intervals or their review dates on the BCPs were not correct prior to May 2018.							1

Appendix 3 – Types of Controls

Review of seven leavers identified three did not have their access to the website portal removed.				2			
The charge was not registered with the Land Registry in one of nine cases tested.		1					1
Manual file management is used as well as a paperless method					1		
The first time password for registering for the website portal was published on the public website in guidance notes.				1			
Data was not encrypted				1			
Grand Total	2	1	1	4	2	2	8

Appendix 4 Progress on the Schools' Audit Plan for 2018-19

School	Final Report	Current Milestone	Assurance opinion	H	M	L
2018/19-01 - Abbey Manor College 18-19	Final Report	16/11/18	Limited	2	11	3
2018/19-33 - Deptford Green Secondary 18-19	Final Report	19/10/18	Limited	2	8	6
2018/19-11 - Addey and Stanhope Secondary 18-19	Final Report	02/10/18	Satisfactory	1	12	7
2018/19-46 - Sedgehill Secondary 18-19	Final Report	18/09/18	Satisfactory	2	9	1
2018/19-47 - Prendergast School (Secondary) 18-19	Final Report	27/09/18	Satisfactory	2	10	2
2018/19-48 - Launcelot Primary 18-19	Final Report	19/11/18	Satisfactory	-	12	7
2018/19-02 - St Michael's CE Primary School 18-19	Final Report	12/07/18	Substantial	1	4	7
2018/19-09 - Adamsrill Primary 18-19	Final Report	07/08/18	Substantial	-	3	6
2018/19-38 - Fairlawn Primary 18-19	Final Report	08/11/18	Substantial	-	1	4
2018/19-41 - Prendergast Ladywell 18-19	Final Report	21/09/18	Substantial	-	8	1
2018/19-42 - St Margaret's Lee CE Primary 18-19	Final Report	17/09/18	Substantial	-	8	5
2018/19-45 - Prendergast Vale School 18-19	Final Report	27/09/18	Substantial	-	5	2
2018/19-49 - Watergate (special) 18-19	Final Report	16/10/18	Substantial	-	6	3
2018/19-24 - Chelwood Nursery School 2018-19	Final Report	02/12/18	Satisfactory	-	11	3

Appendix 4 Progress on the Schools' Audit Plan for 2018-19

2018/19-37 - Edmund Waller Primary 18-19	Final Report	17/12/18	Satisfactory	-	12	5
2018/19-39 - Forest Hill Secondary School 18-19	Final Report	28/11/19	Satisfactory	-	9	7
2018/19-51 - Kender Primary School 2018-19	Final Report	27/12/18	Satisfactory	2	10	6
2018/19-53 - Holbeach Primary School 2018-19	Final Report	15/01/19	Substantial	-	6	5
2018/19-29 - Consiborough College 18-19	Final Report	07/03/18	Limited	2	13	9
2018/19-16 - Athelney Primary 18-19	Draft Report					
2018/19-40 - Forster Park Primary 18-19	Draft Report					
2018/19-10 - Ashmead Primary 18-19	Fieldwork End					
2018/19-20 - Bonus Pastor Catholic College 18-19	Fieldwork End					
2018/19-50 - St Mary Magdalen's Catholic Primary 18-19	Fieldwork End					
2018/19-52 - Sydenham Secondary 18-19	Fieldwork End					
2018/19-54 - Kilmorrie Primary 18-19	Fieldwork End					
2018/19-55 - Trinity All Through School 18-19	Review Stage					

Appendix 5 – Schools’ Progress on Recommendations

Name of Audit (Schools)	Opinion	H Actions Overdue	M Actions Overdue
Abbey Manor College 18-19	Limited	3	4
Addey and Stanhope 2018-19	Satisfactory	1	12
Baring Primary School 2017-18	Satisfactory	3	9
Beecroft Garden Primary School 2017-18	Satisfactory	-	5
Brent Knoll School 2017-18	Satisfactory	-	6
Chelwood Nursery School 2018-19	Satisfactory	-	6
Coopers Lane Primary School - 2017-18	Satisfactory	-	10
Deptford Green Secondary 2018/19	Limited	4	13
Elfrida Primary School 2017-18	Satisfactory	-	11
Forest Hill School 2015-16	Satisfactory	-	2
Holy Trinity CE Primary School 2017-18	Satisfactory	-	1
Horniman's School 16-17	Satisfactory	-	1
Kelvin Grove Primary School 2017-18	Substantial	-	2
Launcelot Primary 18-19	Satisfactory	-	6
New Woodlands School 17-18	Substantial	-	2
Prendergast - Hilly Fields 2015-16	Satisfactory	-	2
Prendergast Ladywell School 18-19	Substantial	-	9
Prendergast Vale School 2018-19	Substantial	-	4
Prendergast School (Secondary) 18-19	Satisfactory	4	10
Sandhurst Infants School 16-17	Substantial	-	2
Sandhurst Junior School 16-17	Satisfactory	-	1
Sedgehill Secondary 2018-19	Satisfactory	3	11
Sir Francis Drake Primary School	Substantial	-	8
St Augustine's Catholic Primary School	Substantial	-	1

Appendix 5 – Schools’ Progress on Recommendations

St James Hatcham CE Primary School 2017/18	Satisfactory	-	15
St Margarets Lee CE Primary School 18-19	Substantial	-	1
St Saviour's RC Primary School 17-18	Satisfactory	-	1
St William of York Catholic School 17-18	Substantial	-	3
St Winifred's Catholic Primary School 17-18	Substantial	-	4
Watergate School 2018-19	Substantial	-	11
	TOTAL	18	173

Conisborough College 18-19

	Process Areas	High	Medium	Low
●	1. Procurement	0	3	2
▲	2. Income	1	2	2
●	3. Asset Management	0	3	0
●	4. Governance	0	2	4
▲	5. Budget Monitoring	1	1	0
●	6. Banking	0	1	0
★	7. Payroll	0	0	1
★	8. HR	0	1	0
★	9. Information Security	0	0	0

Basis for opinion

The School Business Manager (SBM) was on long term sick leave between January - December '18 and missed approximately 180 working days. The SBM is on a phased return since 09/01/19. As the SBM was responsible for a number of processes, their absence resulted in some areas not being attended to.

The main process area that impacted upon the assurance of the opinion was budget monitoring. This is a high risk area, which significantly impacts on the College's financial management.

For the financial year 2018/19, budget monitoring could only be provided for September and November '18.

The college employed a Finance Consultant in November '18. The Financial Consultant has since produced a budget forecast which shows that the financial position of the college has significantly adversely changed from being in surplus by nearly £200k, to being in deficit by £116k.

Assurance Opinion and Recommendations Made

Conisborough College 2018/19 has been assigned a rating of Limited. The previous opinion from 2015/16 was Substantial

To improve controls, recommendation are agreed by management. The number of recommendations and their categories were:

2 High recommendations,

13 Medium Recommendations, of these one was made in the previous report, and

9 Low Recommendations, of these one was made in the previous report.

Key Findings *indicates reoccurring recommendation

- For the financial year 2018/19, evidence of budget monitoring could only be provided for September and November 2018.
- Review of three lettings identified for all three, the letting charges were not approved as per the Financial Management policy. In addition, one recurring letting had not been invoiced since 14/12/2017.
- * Three disposals had not been authorised. In addition, one disposed of asset was not removed from the asset register.
- A physical inspection of three items from the asset register identified one laptop that could not be located.
- A reconciliation of the signed budget to the original budget entered into the finance system identified two items of expenditure did not agree.
- An annual physical inventory check is not conducted.
- Dinner money debt write off, of approximately £300 was not authorised as per the College Financial Code of Practice.
- Evidence of quotations could not be supplied for the IT SLA with Covue Ltd for £36,960 excluding VAT.
- It was not possible to verify the financial information presented to Governors agreed to the information on the finance system.
- One officer that left the college on the 31/03/2017 still had access to the college online banking service.
- Review of DBS records for three Governors identified one did not have a current DBS.
- Review of three lettings identified two had no application form, three had no evidence of authorisation by the college and three had no third party insurance retained on file.
- Seven invoices were not paid in a timely manner, with an average payment time of 49 days.
- The DBS Certificate of an employee was retained on file.
- Three purchase orders were not raised for applicable purchases.

Type	Dir	Audit Name	Scope	Days	Conducted by
Core	CUS	Accounts Payable 19-20 (Core Financial Audit)	See previous audit for scope – Full scope when presenting draft plan.	20	In-house
Core	CUS	Accounts Receivable and Debt Recovery 19-20 (Core Financial Audit)	See previous audit for scope	20	In-house
Core	CUS	Banking 19-20 (Core Financial Audit)	See previous audit for scope	14	In-house
Core	RRE	Budget Setting and Monitoring 19-20 (Core Financial Audit)	See previous audit for scope	12	In-house
Core	CUS	Business Rates 19-20 (Core Financial Audit)	See previous audit for scope	12	In-house
Core	RRE	Capital Expenditure 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house
Core	CUS	Client Contribution for Care Provision 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house
Core	CUS	Council Tax 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house
Core	COM	Direct Payments (Core Financial Audit) 19-20	See previous audit for scope	15	In-house
Core	CUS	Housing Benefit and Council Tax Reduction Scheme (CTRS) 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house

Appendix 7 – Indicative Plan (Corporate and Schools) for 2019/20

Core	RRE	Main Accounting 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house
Core	RRE	Asset Management 19-20 (Core Financial Audit)	See previous audit for scope	12	In-house
Core	COM	Payments to Adult Care Providers 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house
Core	CYP	Payments to Child Care Provider and Foster Carers for Looked After Children 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house
Core	RRE	Payroll 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house
Core	RRE	Pensions for LGPS 19-20 (Core Financial Audit)	See previous audit for scope	15	In-house
Core	RRE	Treasury Management 19- 20 (Core Financial Audit)	See previous audit for scope	12	In-house
SCH	SCH	Brindishe Green Primary	Procurement, Income, Asset Management, Governance, Banking, Budget Monitoring, Payroll, HR and Information Governance	6	In-house
SCH	SCH	Brindishe Manor	As Above	6	In-house
SCH	SCH	Clyde Nursery	As Above	6	In-house
SCH	SCH	Dalmain Primary	As Above	6	In-house

Appendix 7 – Indicative Plan (Corporate and Schools) for 2019/20

SCH	SCH	Deptford Park Primary	As Above	6	In-house
SCH	SCH	Drumbeat School	As Above	7	In-house
SCH	SCH	Good Shepherd Catholic School	As Above	6	In-house
SCH	SCH	Holy Cross Catholic Primary	As Above	6	In-house
SCH	SCH	Horniman Primary	As Above	6	In-house
SCH	SCH	John Stainer Primary	As Above	6	In-house
SCH	SCH	Lucas Vale Primary	As Above	6	In-house
SCH	SCH	Marvels Lane Primary	As Above	6	In-house
SCH	SCH	Myatt Garden Primary	As Above	6	In-house
SCH	SCH	Rangefield Primary	As Above	6	In-house
SCH	SCH	Rathern Primary	As Above	6	In-house
SCH	SCH	Rushey Green Primary	As Above	6	In-house

Appendix 7 – Indicative Plan (Corporate and Schools) for 2019/20

SCH	SCH	Sandhurst Junior (Primary from April 18)	As Above	6	In-house
SCH	SCH	St Augustine's Catholic Primary	As Above	6	In-house
SCH	SCH	St Joseph's Catholic Primary	As Above	6	In-house
SCH	SCH	St Mary's CE Primary	As Above	6	In-house
SCH	SCH	St Stephen's CE Primary	As Above	6	In-house
SCH	SCH	Stillness Infant	As Above	6	In-house
SCH	SCH	Stillness Jnr	As Above	6	In-house
SCH	SCH	Torridon Primary	As Above	6	In-house
GRT	RRE	Supporting Families Claim	As Above	5	In-house
IT	RRE	Oracle - HR	Post implementation review	5	Mazars
IT	RRE	Oracle - Payroll	Post implementation review	5	Mazars