

**BRISTOL CITY COUNCIL
AUDIT COMMITTEE
10th July 2015**

Report of: Chief Internal Auditor

Report Title: Internal Audit - Annual Report 2014/15

Ward: Citywide

Officer presenting report: Alison Mullis/ Melanie Henchy-McCarthy,
Chief Internal Auditor

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RECOMMENDATION

The Committee is recommended to note and comment on the attached Internal Audit Annual Report for 2014/15.

This report was provided to the Deputy Mayor and Cabinet Member for Finance & Corporate Services on 18th June 2015.

SUMMARY

The report provides details of the work completed by Internal Audit during 2014/15 and the Chief Internal Auditors' overall opinion on the control framework.

Areas of significant risk exposure are detailed in the report together with details regarding Internal Audit performance and effectiveness

SIGNIFICANT ISSUES IN THE REPORT ARE:

- The Chief Internal Auditor's opinion on internal control and areas of risk exposure. (Section 2)
- A summary of Internal Audit Activity during 2014/15. (Section 3/Appendix A)
- Audit Performance and Effectiveness (Section 3)
- Looking Forward including brief details of the proposed Internal audit service review (Section 7)

Policy

There are no new policy implications arising from this report

Consultation:

Internal: None necessary

External: None necessary

1. Background

1.1 Public Sector Internal Audit Standard 2013 (PSIAS) require that a report on the work of Internal Audit should be prepared and submitted to Members annually. Accordingly, the Internal Audit Annual Report is prepared and submitted to both the Executive and the Audit Committee. Additionally, in year update reports are periodically provided to the Committee with other relevant reports on key issues arising throughout the year will be submitted as necessary to both the Executive and the Audit Committee. The report being submitted at this time is the Annual Report of Internal Audit activities during the financial year 2014/15.

1.2 The PSIAS detail the following requirements in respect of annual reporting:

“The Head of Internal Audit must provide an annual report to the organisation timed to support the Annual Governance Statement. This must include:

- an annual opinion on the overall adequacy and effectiveness of the organisations governance, risk and control framework (the control environment);
- a summary of audit work from which the opinion is derived;
- a statement on conformance with PSIAS and the results of the internal audit quality assurance and improvement programme;
- disclosure of any qualifications to the opinion, together with the reasons for the qualification
- disclosure of any impairments (in fact or appearance) or restriction in scope;
- a comparison of the work actually undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and targets;
- any issue the Head of Internal Audit judges particularly relevant to the preparation of the annual governance statement

1.3 The issues detailed in the attached report have been considered by the City Council in the formulation of the draft AGS for 2014/15. The report has also been considered by Strategic Leadership Team (SLT) who have agreed to continue to support and monitor improvement actions required.

1.4 The Audit Committee's Terms of Reference include ensuring that Internal Audit is effective. Section 3 of the Annual Report sets out performance information to enable the Committee to continually assess and consider the effectiveness of internal audit.

Other Options Considered

Not applicable.

Risk Assessment

There are no risks arising directly from this report, although clearly the work of Internal Audit minimises the risk of failures in the Council's internal control environment and governance arrangements, reduces the risk of fraud and other losses and increases the potential for prevention and detection of such issues.

Equalities Impact Assessment

None necessary for this report

Legal and Resource Implications

Legal - none sought

Resources - none arising from this report

Appendices

Appendix 1 - Internal Audit Annual Report 2014/14

LOCAL GOVERNMENT ACCESS TO INFORMATION

Background Papers

- Various audit files
- Public Sector Internal Audit Standards 2013 and Local Government Application Note



INTERNAL AUDIT: ANNUAL REPORT 2014/15

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1. Purpose of this Annual Report

1.1 This Annual Report provides a summary of the work completed by Internal Audit (IA) during 2014/15. Its purpose is to:

- ❖ Provide the Chief Internal Auditors' (CIA) annual opinion on the overall adequacy and effectiveness of the Council's governance, risk management and control framework during 2014/15 to support the preparation of the Annual Governance Statement.
- ❖ Provide a summary of the work completed from which the opinion is derived
- ❖ Draw attention to areas of significant risk exposure which need corrective action to improve the control framework
- ❖ Consider activity, performance and effectiveness of the Internal Audit service

2. Chief Internal Auditor's Opinion:

- 2.1 The Chief Internal Auditors' annual opinion on the residual level of risk in the control, risk and governance environment was considered to be **Medium** in 2013/14 and whilst improvements in the environment have continued to embed, there remain are a number of areas where the level of risk has not improved and as such the Chief Internal Auditors' opinion for 2014/15 remains at **Medium**.
- 2.2 Table 1 below demonstrates how the residual level of risk in the control environment has decreased year on year as a percentage of our overall opinion based coverage. As such whilst the level of risk for 2014/15 has remained at **Medium**, the table clearly demonstrates a positive direction of travel towards a medium/low level of risk.

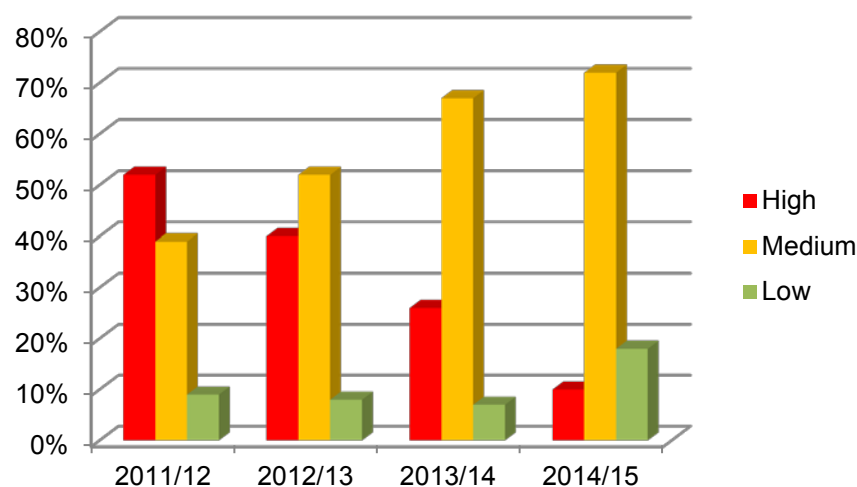


Table (1) Level of risk as a percentage of total opinion based reviews

- 2.2 The following paragraphs detail particular areas of concern highlighted by our work in 2014/15 which have been considered in compilation of the Annual Governance Statement:

Financial Control and Governance:

- 2.3 There are some key financial governance areas where our work has previously demonstrated that risk levels are high, which are not included in the above graph, as we have issued interim reports before finalising our opinion. Whilst showing some positive action to move towards robust internal control, there needs to remain a strong focus on improvements to ensure the financial control systems are effective and resolutions are

implemented in an effective and efficient manner. Internal Audit will revisit these areas to monitor implementation of improvements before issuing our final opinion. These include bank reconciliation, debtors, ordering/payments and the BACS payments system.

The Director of Finance advises he has engaged a new Interim Service Manager for Corporate Finance, who has established a Financial Services Improvement Plan (FSIP) to address, with urgency, any outstanding historic audit recommendations and ongoing improvements to the service. In addition to seeking assurance that recommended internal audit improvements are being implemented, we will also review progress as against the FSIP throughout the year ahead and update Senior Managers and Audit Committee in the usual manner through our periodic reports.

2.4 Positively, control systems were found to be effective in the following key financial systems:

- Budgetary Control
- Local Taxation
- Payroll Leavers

Annual Governance Statement (AGS):

2.5 Of the twelve items identified within the AGS action plan for 2013/14, three of the matters arising have improved sufficiently for them to no longer be considered significant and as such will be removed from the Statement in relation to 2014/15. These are: Capital Projects, Use of Consultants/Interims, and Council Policies & Procedures.

2.6 The residual nine items whilst having shown positive improvement over the year still require further action and as such the residual level of risk remains at 'Medium'. Additionally, three further significant matters arising have been identified for inclusion in the action plan. They are:

- Arms-Length Trading
- Loss of organisational knowledge base and capacity
- Information Security.

School's Governance:

2.7 Whilst the level of risk for school's governance is generally moderate, there remain a high number of schools where the financial governance is in need of improvement. Commonly areas of concern included non-compliance with financial regulation in terms of retrospective order authorisation, income collection and banking, debtors control and non-compliance with procurement good practice. Schools generally will be advised of these commonly identified areas of concern to enable individual schools to review their own arrangements in these areas.

Other High Risk Areas:

- 2.8 Appendix A details all audit work completed or in progress at the end of the year together with resulting audit opinion and overall level of risk to the Council where appropriate. Where the audit opinion is less than satisfactory, brief details of the control issues identified are also included.

3. Other Activity:

Risk Management and Annual Governance Review/Statement:

- 3.1 Internal Audit has led the co-ordination and review of the Corporate Risk Register and worked with Directorates to help them develop their Directorate Risk Registers. The Committee received the Corporate Risk Register in January 2015 and this is currently being reviewed again to ensure it remains up to date. Directorates are now progressing well with the development of their own risk registers which are scheduled to be reviewed by Directorate Scrutiny Committees early in 2015/16. The Audit Committee will receive each Directorate Risk Register for information to enable them to monitor that this happens. Overall, it is felt that positive progress has been made during 2014/15 demonstrated by the development and review of the Corporate Risk Register and Directorate risk registers ensuring that relevant management teams are aware of the key risks faced by the Council. There is good engagement by the Extended and Strategic Leadership Teams in identifying and reviewing potential corporate risks and Members have also positively engaged via the Executive Board, Deputy Mayor briefings and the Audit Committee during the year. Progress to embed corporate risk management has been slightly slower than anticipated and this is largely due to resourcing the risk register reviews in both Internal Audit and across management teams. A resource in Internal Audit has recently been recruited to ensure the focus on Risk Management is maintained and further best practice is developed.
- 3.2 Additionally, Internal audit has led the Annual Governance Statement review process on behalf of the Council. The Audit Committee is receiving a separate report regarding the findings of this review and issues of concern it identified at this meeting.

Fraud and Irregularity:

- 3.3 The Council actively continues to seek out and investigate fraud in accordance with its Anti-fraud and corruption strategy and policy and its legal duty to protect public funds. Following the presentation of the Annual Fraud update report to SLT and Audit Committee in January 2015, the Council's preference for preventative work was made clear and whilst some preventative work has taken place in 14-15, there will be greater emphasis in the forthcoming year.
- 3.4 Despite the loss of some investigations expertise with the transfer of Benefit Fraud Investigation team staff to DWP under the 'Single Fraud Investigation Service,' two of the Benefit Fraud team members have been retained and some new staff recruited bringing new and valuable skills to the Investigations team, particularly in relation to prosecution work. In addition, a newly created Intelligence Officer post is being

recruited currently and trialled and the need for a Financial Investigator being researched, to provide a strong and effective counter fraud response for Bristol City Council. The work of the Investigations team is split as follows:

- Responsive fraud work - dealing with allegations of fraud/whistleblowing
- Proactive fraud work, whereby we are actively searching for fraud by using analysis and data matching techniques
- Preventative work, where we are reviewing the fraud risks and how effectively they are managed.
- Value for money work – where a potential opportunity for saving money is identified.

3.5 In all of the teams work, any gaps in control identified which could allow fraud to happen, are made known to management with recommendations to improve.

3.6 **Responsive Fraud Work:** is summarised below including cases either received or concluded over 2014-15 analysed by type and source.

Referrals

Fraud Type	No of Cases
Tenancy Fraud	239
Other Benefits	4
Procurement	7
Cash	5
Grant	0
Local Taxation	3
Assets	1
Cheque	1
Employee	1
Other	4
TOTAL	265

Referral Source	No of Cases
Internal Whistle-blower	1
Proactive	39
External Referral	57
Employee, Manager or control process	140
Other (e.g. police, NFI, other LA's, IA)	28
Total	265
Investigation Status	No of Cases
Closed - advice given	13
No detailed investigation	7
Closed – referred elsewhere	11
Live cases*	217
Closed – property regain or application cancelled	47
Closed – No action taken	134
Total	429**

NB: 1) *The live cases are as at 18th May 2015.

2) **The number of cases differs to the total number of referrals as some cases have been carried over from earlier years.

3) The 13/14 report did not include Tenancy Fraud cases which have been included in the above tables, so is not comparable.

3.7 Of the cases closed in the year, outcomes for the Council were as follows:

- 40 council properties were regained (against a target of 35) for re-issue to those with a genuine need (**notional value £2.16m**)
- 7 false applications for Housing or 'Right to Buy' applications cancelled.
- Removal of Local taxation discounts to the value of **£3K**.
- Forged cheques to the value of £500K reported to the police for investigation.
- 1 Direct Payment was overpaid due to failure to notify a change of circumstances. Value **£6.7K**, it is not yet known if this is recoverable.
- Other investigation work has resulted in advice and recommended improvements in control.

- 3.8 **Tenancy Fraud:** The team continue its focus on tenancy fraud with a high number of referrals being received. The team has referred its first two cases to Legal Services for possible prosecution under the new Prevention of Social Housing Fraud Act. Whilst the prosecution work is resource intensive, it is hoped that it will send out a deterrent message to others.
- 3.9 **National Fraud Initiative:** The now annual National Fraud Initiative output was received in March. The review of output is planned largely for the forthcoming year, with so far one payment to a Residential Care Home being cancelled for **£6.6K**.
- 3.10 **Value for money work:** has included a review in the area of **Telephone Ceased Number Announcements** costing the council £3k per month, were found to have been in place for 2 years with no review of any on-going need. Following work by the Investigations team, a decision was taken to cancel all 'Ceased number announcements' over 6 months old and to do so on an on-going basis. This has resulted in an annual saving of **£37.8K** for as long as this would have otherwise continued. As these costs are not being charged to individual budgets they may have continued indefinitely. Further work is planned in respect of telephone charges in 2014/15.
- 3.11 Additionally our work concerning **duplicate payment testing** has continued. Using reports provided by Internal Audit, duplicate payments to the value of **£96k** were identified and recovery action invoked. In addition and as a result of the weakness in control identified by audit work in 13-14, Accounts Payable introduced a check of all high value payments preventing £900,000 of duplicate payments being made. A software solution (Fiscal) has now been implemented to prevent duplicate payments being made.
- 3.12 **Preventative work:** Following similar initiatives by other Local Authorities, the team have been pursuing the use of the Citizen Index/Accounts as a means to identify early and in some instances, prevent fraud and error. The suitability and accuracy of the underlying data is creating difficulties in the progression of this work.
- 3.13 An increasing number of direct payment cases are being referred to the team for investigation. A review of fraud prevention and control arrangements is currently in progress.

- 3.14 The SFVS assessment is a self-assessment by schools of their financial arrangements that is approved by Governors. All but one of the Authority's locally managed schools met the requirement of submitting a signed SFVS assessment by 31st March 2015. The results from the SFVS returns have been used to inform the schools audit plans for 2015/16.

4. Internal Audit Service Performance and Effectiveness:

- 4.1 Overall, it has been another challenging year for the Internal Audit Service seeing continued changes to its own staffing and processes as well as engaging and responding to key changes across the Council as restructures are finalised and it moves into the service redesign phase of review. The inevitable loss of organisational knowledge at this time of change has temporarily impacted on the turnaround time of Audit reviews, however it is accepted that as the corporate restructure settles down and staff settle into their new posts/environment delays will be limited. Audit staff has tackled these issues sensibly and performance remains of a good standard. Additionally, our proactive work has again demonstrated the value that the service has provided over the last year.
- 4.2 The Team has complied with the requirements of the Public Sector Internal Audit Standards. This is constantly under review with each assignment and report. However, a peer review by another authority is planned for 2015/16 in line with the requirement to have an independent review of compliance with the Standards every five years to ensure our operations reflect best practice.

Performance Against Targets

- 4.3 Performance targets have been identified and progress against these is continually monitored throughout the year to ensure good value for money is provided by the Audit Service. Performance against these targets for 2014/15 is as follows:

Value for Money Indicators	2014/15 Actual	2014/15 Target	2013/14 Actual
% of Audit Reviews reported within target days from commencement of work (3x number of days for audit review)	62%	90%	New Measure
High/Medium recommendations Implemented or Escalated	71%	90%	44%
No. of Properties recovered by tenancy fraud work.	40	35	39
% of planned Statutory Assurance work completed/in progress/not required by auditee against plan	88%	90%	Revised measure
% of planned statutory assurance days completed against plan	108%	90%	New measure
% of QAQs with a score of 4 or more (Customer Satisfaction)	95%	96%	90%
% of planned follow-up work completed/in progress within protocol timescale.	60%	90%	80%

Value for Money Indicators	2014/15 Actual	2014/15 Target	2013/14 Actual
<i>External Audit Opinion on Internal Audit (Annual Indicator)</i>	Positive	Positive	Positive

4.4 The Team has performed well in the following important areas:

- ❖ Customer satisfaction survey results indicate improved satisfaction with the Audit Service. These surveys are issued following completion of all planned assignments. Additionally, the external auditor continues to reflect positively on the Internal Audit Service in its reports to Audit Committee.
- ❖ The level of statutory assurance work completed is in line with that planned and demonstrates our limited resources have been focused in the most important areas and we are well placed to form our opinion on the control environment across the Council
- ❖ The number of properties we have regained as a result of the tenancy fraud work we do has exceeded the target.

4.5 There are some areas where we now need to focus our own service improvement efforts in 2015/16 and going forward:

- ❖ Whilst the turnaround time of audit work has improved throughout the year (increasing from 45.5% at the end of period 1 to 62% at year end) this still needs improvement. The timeliness of feedback from our work is important to the timely implementation of recommendations to improve the control framework. A number of factors have impacted on performance in this area this year – not least our own staff turnaround and the availability of staff across the Council in areas which have been restructured. We will continue to monitor our performance in this area to continue the improvement demonstrated this year.
- ❖ Confirming implementation of recommendations has improved in comparison with previous years but again is an area we will keep under review. We will continue with interim reporting but need to ensure that formal follow up is included in our work programmes where final reports suggest this is necessary.

4.6 The following table also demonstrates that actual coverage in terms of work type was broadly in line with that planned, however throughout the year, the work programme was continually re-assessed to ensure coverage was correctly prioritised:

	% Planned	% Actual
Assurance	41	41
Fraud and Value for Money	44	42
Risk Management	1	3
Liaison and Advice	6	6
Income Generating	3	4

Audit Service Development	5	4
Total	100	100

Value for Money:

- 4.7 The Audit Service continues to demonstrate a clear value to the Council in excess of its cost. As detailed above, savings or recoveries as a result of work we have completed/influenced equated to approximately £1m, together with the notional value of Council House recoveries of approximately £2.16m.
- 4.8 In addition to this, our assurance work identifies areas where implementation of our recommendations will improve value for money for the service under review/Council. The value of this element of our work is difficult to measure but we have recognised the need to do so for all work we do going forward and as such have clearly identified the outcome expected from each work assignment and where possible will measure the value of the work undertaken.

5. Escalation Matters:

- 5.1 Internal Audit operate a follow up and escalation procedure which requires all high and medium rated recommendations made in areas where the level of risk is considered significant or of concern to be subject to follow up review within 6 months (if feasible) of the original audit. This policy needs review to reflect our move towards greater interim reporting and to ensure our approach to escalation of final reporting where risk levels are unacceptable is robust.
- 5.2 The Strategic Leadership Team have continued to take a strong stance on the failure to implement both internal and external audit recommendations and this support has had a positive effect on the implementation of recommendations throughout the year. Internal Audit have an open invitation to present to SLT any matters which they feel are not being addresses appropriately and where they feel SLT can have an impact.

6. Resources:

- 6.1 The Internal Audit Service has reshaped its service to ensure it remains both cost effective and fit for purpose.
- 6.2 Audit planning at the beginning of the year took into consideration the much reduced resource level anticipated as a result of the approach and timing of the restructure of the team. The Audit Plan for 2014/15 was based on temporarily reduced audit days available and it is pleasing to report that resources available for audit work have been broadly in line with that planned. Whilst recruitment to a management post, an auditors post and the intelligence officer role is only just now finalising, the team benefited from having an additional resource for

an 8 month period from the Council's Graduate Management scheme. This has helped to mitigate the effect of vacancies on the team and the level of assurance work that could be provided. We had hoped to have our full structure in place by 1st April 2015, but that has not been possible. We do however envisage that our service will be up to full strength by July 2015.

7. Looking Forward:

- 7.1 The Internal Audit Service looks forward to the many challenges facing its own service and across the Council during 2015/16. Specifically, we will target the following developmental areas during the year:
- ❖ Developing good working relationships with the Council's new External auditors – BDO Ltd – to ensure audit assurance is maximised.
 - ❖ Development of audit process and technique to maximise assurances we are able to provide in the most efficient way including greater use of technology as and when it becomes available in line with the corporate agile and new ways of working. Additionally, we intend to look into assurance mapping around corporate risks and core governance processes.
 - ❖ Closer working with the Finance Team to ensure that financial governance improvements are maintained going forward
 - ❖ Ensuring we understand core service redesigns, and their impact on the control framework, that are scheduled to happen across the Council as part of the Council's Business Change Programme
 - ❖ Reviewing our intranet pages to ensure our advice and guidance is kept up to date and managers across the Council have online access to best practice regarding risk management and internal control.
 - ❖ Development of the newly restructured team to ensure the team has the necessary skills and expertise to continue delivery of a professional audit service in line with Public Sector Internal Audit Standards.
 - ❖ Development of our service offer to ensure the team is well placed to deliver the Council's future aspirations to raise revenue from service provision going forward.
 - ❖ Monitoring the success and outcomes of the new Single Fraud Investigations Service in tackling benefit fraud and ensuring information exchange with them is effective. Additionally, developing an approach to the Council Tax reduction fraud that is robust, proportionate and consistent with other fraud risks faced by the Council.
 - ❖ A greater emphasis on fraud prevention work by the Council will form part of the fraud programme this year working with senior managers to better understand the Council's role and ability to reduce fraud against the Council. The opportunity to prosecute of tenancy fraud cases will help us understand the deterrent effect v's the cost of doing so

- ❖ Appointment of the new Audit Manager to the structure from July 2015 will enable us to offer greater support to the Council in embedding its risk management arrangements and ensuring the Corporate Risk Register is more regularly reviewed going forward.

8 Context and Compliance:

- 8.1 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes. (Source: Public Sector Internal Audit Standards and Local Government Application Note: Chartered Institute of Public Finance and Accountancy in collaboration with the Chartered Institute of Internal Auditors).
- 8.2 Internal Audit is a statutory requirement for local authorities. There are two key pieces of relevant legislation:
- Section 151 of the Local Government Act 1972 requires every local authority make arrangements for the proper administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs
 - The Accounts and Audit Regulations 2015 (England) states that "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance"
- 8.3 Internal Audit has operated in accordance with the newly introduced Public Sector Internal Audit Standards and Local Government Application.
- 8.4 Internal Audit independence is achieved by reporting lines which allow for unrestricted access to the Elected Mayor, City Director, Strategic Leadership Team and Chair of the Audit Committee.

Summary of Internal Audit Work 2014/15

Appendix A

PLANNED ASSURANCE WORK COMPLETED

Directorate	Subject	Status	Opinion	Risk Level	Comments
People	Nursery and Children's Centre	Complete	Poor	Of Concern	Concerns re poor management of high value contract, poor debtors policy, employment status checks not carried out
People	Specialist Nursery & C'sC	Complete	Poor	Of Concern	Concerns re poor debtors control and significant debt, income collection and banking, employment status checks not carried out, poor budget review.
CORP	Contracts where Payments are made in Advance	Complete	Needs Imp	Of Concern	Absence of an accurate record of the number and value of contracts where the Council has paid for services in advance. Also, justification in some cases regarding reason for paying in advance.
Corp	Information Security Review	Complete	Needs Imp	Of Concern	Whilst there are strong procedures for dealing with information security incidents, there are concerns re overall approach eg outdated security and other related policies, systems access control, sharing passwords.
People	7 x Primary Schools	Complete	Needs Imp	Moderate	Commonly issues around retrospective ordering, debtors control, income collection and banking, obtaining quotes in line with financial and procurement regulations, establishing employment status
People	1 x Early Years Centre & Family Unit	Complete	Satisfactory	Moderate	
People	2x Nursery & Childrens Centre	Complete	Satisfactory	Moderate	
People	6 X Primary Schools	Complete	Satisfactory	Moderate	
B Change	ABW - Security Interim Follow-up	Complete	Satisfactory	Moderate	Improved control overall. Removal of systems access for leavers, password policy and disaster recovery remained issues but all being addressed.
CORP	Budgetary Control 2013/14	Complete	Satisfactory	Moderate	
People	CCTV	Complete	Satisfactory	Moderate	
People	Children's Centre	Complete	Needs Imp	Moderate	
Place	Community Infrastructure Levy Funding	Complete	Satisfactory	Moderate	
CORP	Contracts – Monitoring of providers.	Complete	Satisfactory	Moderate	
CORP	Declaration of Interests (1st to 3rd tier)	Complete	Satisfactory	Moderate	
B Change	Exempt Accommodation	Complete	Satisfactory	Moderate	
People	Formula for Financing Schools	Complete	Satisfactory	Moderate	
B Change	LTAX & NNDR – Income Collection, including, Refunds and Write Off & Exemptions	Complete	Satisfactory	Moderate	
B Change	Northgate System IT Review	Complete	Satisfactory	Moderate	
B Change	Payroll Leavers	Complete	Satisfactory	Moderate	
People	Special School (Proc cards only)	Complete	Satisfactory	Moderate	
People	Trading with Schools Function	Complete	Satisfactory	Moderate	
CORP	Radios Licencing	Complete	Satisfactory	Minimal	
People	SFVS Returns May 14 and May 15	Complete	Satisfactory	Minimal	
Neighbourhoods	Contract Review	Complete	Satisfactory	Minimal	
People	1 x Early Years Centre & Family Unit	Complete	Satisfactory	Minimal	
People	1 x Primary School	Complete	Good	Minimal	
CORP	Change Programme - Phase one review	Complete	Good	Moderate	
CORP	AGS 2013/14 Statement and Action Plan Monitoring and update	Complete	N/A	Moderate	
B Change	ABW – Ordering and Payments	Interim Rpt	N/A	N/A	Interim report issued to provide time to implement improvements
B Change	BACS System	Interim Rpt	N/A	N/A	Interim report issued to provide time to implement improvements
Neighbourhoods	Public Health - Analytical Review/Overview/Testing of grant	Complete	N/A	N/A	Fact-finding exercise

Planned Grant Certification Completed/ In Progress at Year-end

Directorate	Subject	Status	Original Level of Risk	Revised Level of Risk	Comments
City Director	Gigabit Grant - Research and Development Testbed (Aug 14)	Complete	Satisfactory	Moderate	
Place	Better Bus Area Fund 1 (July 14)	Complete	Satisfactory	Moderate	
Place	LSTF West Capital only (Mar 15)	Complete	Satisfactory	Moderate	
People	Troubled Families Initiative Grant Certification Process – Complex criteria, June 14, Aug 14 and Jan 15 certification.	Complete	Satisfactory	Moderate	
Neighbourhoods	Scambuster Grant Audit	Complete	Satisfactory	Moderate	
Place	Cycling Ambition Fund (Mar 15)	Complete	Satisfactory	Minimal	
City Director	Carbon Efficiency Grant 13-14	Complete	Satisfactory	Minimal	
Place	Better Bus Area Fund 2 (Mar 15)	In progress	N/A	N/A	
Place	LSTF Key Component (Mar 15)	In progress	N/A	N/A	
CORP	Urbact Grant (Feb 14)	In progress	N/A	N/A	

PLANNED FOLLOW-UP AUDIT WORK COMPLETED

Directorate	Subject	Status	Original Level of Risk	Revised Level of Risk	Comments
Place	Building Practice - Electrical Follow up in progress	Complete	Of Concern	Moderate	
B Change	ABW - Security Interim Follow-up	Complete	Interim	Moderate	
People	CCTV Contract	Complete	Interim	Moderate	

CONSULTANCY/ADVICE WORK COMPLETED OR IN PROGRESS AT YEAR-END

Directorate	Subject	Status
Neighbourhoods	Contract support.	Complete
CORP	Audit Committee Facilitation	Complete
CORP	Risk Management Work	Complete
CORP	Board Attendance (IAB/FAB etc)	Complete
CORP	External Audit Liaison	Complete
CORP	HR - New IT System	In progress

PLANNED ASSURANCE WORK IN PROGRESS AT YEAR END

Directorate	Subject	Status	Comments
People	Junior School	In progress	
People	Independent Living Service - systems and controls - Aids & Adaptions	In progress	
B Change	Mobile device security	In progress	
People	Liquid Logic	In progress	
CORP	Hospitality registers	In progress	
B Change	ABW – Budgetary Control 2014/15	In progress	
People	School Fund Audit Certificate - Monitoring and chasing the return of Audit Certificates.	Ongoing	
B Change	Housing Rents (incl impact of welfare reform)	In progress	
C Exec	Bristol 2015 - Grant Process	In progress	
C Exec	Bristol 2015 - 1st of 3 Assurance audits	In progress	
People	GC - Payment Review	In progress	
B Change	Registrars Finance review (Requested)	In progress	

People	Claremont - Special School	In progress	
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PLANNED FOLLOW-UP WORK IN PROGRESS AT YEAR END

Directorate	Subject	Status	Comments
B Change	ABW - Bank Reconciliation & Income Manager	In progress	Interim reporting in place
B Change	ABW – Debtors	In progress	Interim reporting in place

PRO-ACTIVE FRAUD/VFM AGENDA

Subject	Status
NFI - Housing Register Datamatch download	Complete
Tenancy Fraud (excl proactive exercises)	Complete
Tenants to Council Tax/ER	Complete
Tenants to Care home occupants	Complete
Equifax re-run	Complete
NFI - Main download (incl AFRS)	Complete
Annual Fraud Survey	Complete
Fraud Prevention Officer	Complete
NFI Council Tax SPD Download	Complete
Fraud web pages review	Complete
Gain Enquiries	Complete
Fraud and warning bulletins	Complete
Invoice and Supplier duplicates	Complete
Corporate Commissioning and Procurement	Complete
Fraud Line	Complete
Whistleblowing compliance with best practice and improvements	Complete
Telephone bill - VFM review	Complete
Tell us Once - deaths	Complete
Transparency Code requirements	Complete
Debtors to Creditors Analysis	Complete
Fraud Awareness training	Complete
Fiscal Implementation and Fraud module	Complete
Parking Income analysis	In progress
Homelessness review + testing	In progress
NFI Main run - output	In progress
Data Warehousing (Ealing model)	In progress
NNDR Fraud Testing	In progress
Direct Payment - Fraud Control (Incl. FU of issues identified last year)	In progress

DEVELOPMENT PROGRAMME

Directorate	Subject	Status
CORP	Attendance at Networking Groups	Complete
CORP	Intranet	Complete
CORP	File access permissions/ file retention compliance	Complete
CORP	Data Sharing Agreement	Complete
CORP	Fraud Team Development	Complete
CORP	Staff Induction and Training	Complete