



Coventry City Council

# Public report

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**Report to**

Audit and Procurement Committee

24<sup>th</sup> June 2019

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director approving submission of the report:**

Deputy Chief Executive (Place)

**Ward(s) affected:**

City Wide

**Title:**

Internal Audit Annual Report 2018-19

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**Is this a key decision?**

No

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**Executive summary:**

This report to the Audit and Procurement Committee has two purposes:

- To summarise the Council's Internal Audit activity for the period April 2018 to March 2019 against the agreed Audit Plan for 2018-19 and the Public Sector Internal Audit Standards.
- To provide the Audit and Procurement Committee with the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment for the financial year 2018-19 (as documented in section 2.3 of this report).

**Recommendations:**

Audit and Procurement Committee is recommended to note and consider:

1. The performance of Internal Audit against the Audit Plan for 2018-19.
2. The results of the Quality Assurance and Improvement Programme and the Chief Internal Auditor's statement on conformance with the Public Sector Internal Audit Standards.

3. The summary findings of key audit reviews (attached at appendix two) that have not already been reported to Audit and Procurement Committee during municipal year 2018-19 and which are relevant to the opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment.
4. The opinion of the Chief Internal Auditor on the overall adequacy and effectiveness of Coventry City Council's internal control environment.

**List of Appendices included:**

Appendix One - Audits completed in 2018-19

Appendix Two - Summary findings from key audit reports

**Background papers:**

None

**Other useful documents:**

Half Year Internal Audit Progress Report 2018-19

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=11821&Ver=4>

Internal Audit Plan 2018-19 – Quarter Three Progress Report

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=11825&Ver=4>

**Has it or will it be considered by scrutiny?**

No other scrutiny consideration other than the Audit and Procurement Committee.

**Has it, or will it be considered by any other council committee, advisory panel or other body?**

No

**Will this report go to Council?**

No

**Report title:**

Internal Audit Annual Report 2018-19

**1. Context (or background)**

1.1 The Audit and Procurement Committee approved the Council's Internal Audit Plan for 2018-19 at its meeting on the 18<sup>th</sup> June 2018. During the last financial year, the Committee has received progress reports summarising completed audit activity in November 2018 and February 2019.

1.2 This report details the performance of the Internal Audit Service against the Plan for 2018-19, which is presented in order for the Audit and Procurement Committee to discharge its responsibility, as reflected in its term of reference - *“To consider the Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activities (actual and proposed) and the level of assurance given within the Annual Governance Statement incorporated in the Annual Accounts”*.

1.3 The report is split into the following sections:

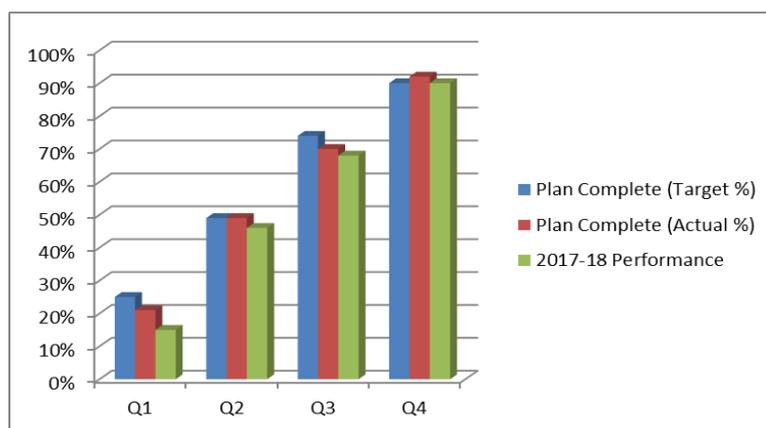
- Assessment of the performance of the Internal Audit Service against its key targets.
- The results of the Quality Assurance and Improvement Programme and the Chief Internal Auditor's statement on conformance with the Public Sector Internal Audit Standards.
- A summary of the audit activity in 2018-19, and highlighting issues that have not been reported to the Audit and Procurement Committee previously and are relevant to the overall opinion.
- The Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment.

**2. Options considered and recommended proposal**

**2.1 Performance of the Internal Audit Service**

2.1.1 The key target for the Internal Audit and Risk Service is to complete 90% of its agreed work plan by the 31<sup>st</sup> March 2019. The chart below shows that the Service met this target.

**Chart One: Performance of Internal Audit 2018-19**



It should be noted that the reported performance was based on revised audit plan of 480 days which reflected un-planned absence within the Team and which was reported to the Audit and Procurement Committee in February 2019.

2.1.2 In addition to the delivery of the Plan, the Service has a number of other key performance indicators (KPIs) which underpin its delivery. These KPIs are aimed at ensuring that the audit process is completed on a timely basis. The table below details the performance of Internal Audit for 2018-19, compared with performance in 2017-18.

**Table One: KPIs for the Internal Audit Service**

<b>Performance Measure</b>	<b>Target</b>	<b>Performance 2018-19</b>	<b>Performance 2017-18</b>
<b>Planned Days Delivered</b>	100%	94%	93%
<b>Productive Time of Team</b> (% of work time spent on audit work)	90%	91%	91%
<b>Draft Report to Deadline</b> (Draft issued in line with date agreed)	80%	84%	82%
<b>Final Report to Deadline</b> (Final issued within 4 weeks of draft)	80%	82%	100%
<b>Audits Delivered within Budget Days</b>	80%	77%	75%

Whilst improvements in performance are still required around audits delivered within budget days, this does need to be seen in the context of the size of the audit plan in that out of 60 audits completed, 14 over-ran in terms of budget days. Actions to continue to improve performance form part of the Quality Assurance and Improvement Programme (see 2.2 below).

## **2.2 Quality Assurance Improvement Programme**

2.2.1 The Public Sector Internal Audit Standards require that the Internal Audit Service develops and maintains a quality assurance programme that covers all aspects of the internal audit activity. In 2018-19, the Programme included the following:

- An annual self-assessment of the Internal Audit Service against the Public Sector Internal Audit Standards. This was undertaken by the Chief Internal Auditor.
- On-going supervision and review of audit work. In 2018-19, quality review checklists have also been introduced which are completed after every audit to provide a formal assessment of the quality of the work undertaken and identify areas for improvement.

- Monitoring of key performance indicators and work with individual members of staff on planning and time management to deliver audits in budget days. In 2018-19, this has included bi-monthly one to ones with staff where individual performance against targets is reviewed.
- Results of staff performance appraisals

2.2.2 As a result of the Programme, a number of improvement actions have been identified, which are summarised in table two below. These include actions where progress was delayed in 2018-19 due to the restructure of the Internal Audit Service. Forthcoming progress against these actions will be included in future reports to the Audit and Procurement Committee.

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**Table Two: Internal Audit Improvement**

**Actions**

<b>Public Sector Internal Audit Standards</b>	<b>Specific Standard</b>	<b>Improvement Action</b>
Code of Ethics	Competency	Development of a training strategy for Internal Audit and skills matrix
Attribute standards	Purpose, authority and responsibility	Review and update of the Internal Audit Charter
Attribute standards	Proficiency and due professional care	Continuing to develop knowledge of available technology based audit and data analysis techniques to perform audit work
Attribute standards	Quality Assurance and Improvement Programme	Planning for a full external assessment against the Public Sector Internal Audit Standards to be undertaken in 2020-21.
Attribute standards	Quality Assurance and Improvement Programme	Introduction of a formal mechanism for capturing customer feedback
Performance standards	Managing the Internal Audit activity	Review and update of the Internal Audit Manual
Performance standards	Managing the Internal Audit activity	Continued focus on planning and time management to deliver audits in budget days

2.2.3 In considering the results of the quality assurance and improvement programme, it has been concluded that the Internal Audit Service partially conforms with the Public Sector Internal Audit Standards and it is recognised that there are improvement opportunities to achieve full conformance. Where improvements have been identified, it is not considered that this impacts on the overall scope or operation of the internal audit activity.

**2.3 Audit Activity 2018-19**

2.3.1 Appendix One details the audit reviews that have been carried out in the financial year 2018-19 along with the level of assurance provided. Table three overleaf provides definitions to support the level of assurance applied to audit reviews carried out by the Service.

**Table Three: Definitions of Assurance Levels**

<b>Assurance Opinion</b>	<b>What does this mean?</b>
<b>Significant</b>	There is an appropriate level of control for managing all the significant inherent risks within the system. Testing shows that the controls are being applied consistently and system objectives are being achieved efficiently, effectively and economically.
<b>Moderate</b>	There are generally appropriate levels of control for managing the majority of the significant inherent risks within the system. Some control failings have been identified from the systems evaluation and testing that need to be corrected. The control failings do not put at risk achievement of the system's objectives.
<b>Limited</b>	There are weaknesses in the level of control for managing the significant inherent risks within the system. A number of control failings have been identified from the systems evaluation and testing. These failings show that the system is clearly at risk of not being able to meet its objectives and significant improvements are required to improve the adequacy and effectiveness of control.
<b>No</b>	There are major, fundamental weaknesses in the level of control for managing the significant inherent risks within the system. The weaknesses identified from the systems evaluation and testing are such that the system is open to substantial and significant error or abuse and is not capable of meeting its objectives.

2.3.2 **Other** – A summary of the findings of key audits that have not already been reported to the Committee during municipal year 2018-19 are included at Appendix Two. In all cases, the relevant managers have agreed to address the issues raised in line with the timescale stated. These reviews will be followed up in due course and the outcome reported to the Audit and Procurement Committee.

2.3.3 **Follow up of Disclosures made in the Internal Audit Annual Report 2017-18** – In the previous annual report, the Chief Internal Auditor identified a number of areas where she believed significant control improvements were required. An update on each of these areas is provided below:

- **The Council's readiness for the implementation of the General Data Protection Regulations (GDPR)** – This disclosure was based on the findings of the 2017-18 review of the Council's preparations for GDPR. In 2018-19, follow up audit work has confirmed that action has been taken to address a number of the key concerns highlighted and moderate assurance has now been given that the Council has appropriate arrangements in place to comply with the Data Protection Act 2018.
- **Homelessness** – This disclosure was based on the acknowledged risk around the increasing costs of temporary accommodation. In 2018-19, an audit review was undertaken around the Council's response to preventing and relieving homelessness, the findings of which are summarised at Appendix Two. In addition, a refreshed Housing and Homeless Strategy was adopted by the Council in March 2019. This focuses on prevention, supporting homeless households, improving existing

accommodation and increasing housing supply. A number of key appointments and new roles have been made to increase the Council's capability in this area. As these arrangements are still embedding, this issue has been considered in the preparation of the Annual Governance Statement for 2018-19.

- **Delivery of the IT Strategy** – During 2018-19, the existing IT Strategy has been reviewed, with input from across the Council. Alongside this, there has been a major restructure of the ICT and Digital Service with the introduction of new senior management roles which will support the on-going development and delivery of the IT Strategy. An updated IT Strategy is planned in 2019-20 and this has been considered in the preparation of the Annual Governance Statement for 2018-19.

## 2.4 Annual Report - Opinion on the Overall Adequacy and Effectiveness of Coventry City Council's Internal Control Environment

2.4.1 The Public Sector Internal Audit Standards (PSIAS) highlights that a key responsibility of Internal Audit is to provide an objective evaluation of, and assurance on, the effectiveness of the organisation's risk management, control and governance arrangements. It requires that the annual internal audit opinion provided by the Chief Internal Auditor is a key element of the framework of assurance that informs the Annual Governance Statement.

2.4.2 Given the above, an Internal Audit Charter was approved in April 2013, requiring the Internal Audit Annual Report to include the following information:

- An opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment.
- Disclosure of any qualifications to that opinion, together with the reason for the qualification.
- Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on the work of other assurance bodies.
- Draw to the attention of the Audit and Procurement Committee any issues particularly relevant to the preparation of the Annual Governance Statement.

2.4.3 **Audit Opinion / Disclosures** – In the Chief Internal Auditor's view, sufficient assurance work has been carried out to allow her to form a reasonable conclusion on the adequacy and effectiveness of Coventry City Council's internal control environment. It is the Chief Internal Auditor's opinion that **moderate assurance** can be provided that there is generally a sound system of internal control in place designed to meet the Council's objectives. This means that there is generally an appropriate level of control for managing the majority of the significant inherent risks to the Council's objectives to a reasonable level.

In giving this opinion, assurance can never be absolute as the system of internal control is designed to manage risk to a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness.

Through Internal Audit work, actions are agreed to improve the control environment and assist the Council in achieving its objectives. A defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis.

2.4.4 **Audit work undertaken** – Appendix One details the audit reviews that have been carried out in the financial year 2018-19 along with the level of assurance provided. In considering

the outcome of audit activity for 2018-19, we have initially looked at the number of 'limited' or 'no' assurance audits (as these require immediate improvements) and compared the results with the previous two years.

**Table Four: Comparison of Audit Assurance Levels**

Financial Year	Number of Audits	Number of Audits With 'limited' or 'no' Assurance	Percentage of Audits with 'limited' or 'no' Assurance
2018-19	60	5	8%
2017-18	65	7	11%
2016-17	58	6	10%

Table four above indicates that the number of audits that require immediate improvements remains at a low level in comparison to the overall number of audits carried out and is largely consistent with the number of these reviews over the last three years. Other factors that have been considered in the assessment of the control environment include:

- The impact that the weaknesses identified have on the overall Council control environment - When considering the five reviews, they fall into one of the following categories:
  - Reviews that are focused on working practices in specific services / functions.
  - Reviews where issues have a corporate impact either in terms of finance, reputation and / or service delivery.
- Whether there is any specific change in audit focus / approach that may have impacted on the number of 'limited' or 'no' assurance audits – there are two aspects to this, namely:
  - A small number of fact-finding reviews have been undertaken as in some circumstances this approach is viewed as a more appropriate way of responding to identified /emerging risks. This includes reviews linked to providing advice around proposed changes to systems and the assessment of risks and as such, an assurance level is not provided given the specific scope of such reviews.
  - In 2018-19, the audit plan included a number of reviews arising from specific requests from management to provide assurance as concerns already existed that improvements were required to manage risks effectively.

**2.4.5 Issues relevant to the preparation of the Annual Governance Statement** – In undertaking the assessment of the Council's internal control environment, the Chief Internal Auditor has identified a number of areas that, in her opinion, need to be considered when the Council produces its Annual Governance Statement for 2018-19.

From a general point of view, whilst any audit where 'limited' or 'no' assurance was provided requires attention, an assessment is also made as to whether the review has a significant corporate impact and consequently needs to be considered in the producing the

Annual Governance Statement, or whether the review is limited to specific working practices in service areas which do not have a wider bearing on the Council's control environment.

In terms of key issues identified, the following are highlighted:

1. **Homelessness** – This reflects the findings of the review of the Council's processes to prevent and relieve homelessness which is summarised at Appendix Two, along with the need for new arrangements to become embedded, as highlighted in section 2.3.3 of this report.
2. **Controls over accessing system data** – This reflects the findings of a review of the Council's arrangements to govern employees' use of ICT systems holding personal / sensitive data. The findings of this review were reported to the Audit and Procurement Committee in February 2019 and whilst moderate assurance was given that the Council has appropriate arrangements, the review highlighted the need for a corporate approach to be taken to manage risk, given the number of systems in place across the Council. Consequently, the requirement for a corporate data access standard has been considered in the preparation of the Annual Governance Statement for 2018-19.
3. **Delivery of the IT Strategy** – This reflects the requirement for an updated IT Strategy, which as highlighted in section 2.3.3 of this report, is planned for 2019-20 and the findings of a review of the Council's IT Strategy, Policies and Procurement which is summarised at Appendix Two. Whilst a new IT Strategy was originally planned to be produced in 2018-19, this has been delayed to allow for closer alignment to the One Coventry approach.

### 3. Results of consultation undertaken

3.1 None

### 4. Timetable for implementing this decision

4.1 There is no implementation timetable associated with this report, although the opinion of the Chief Internal Auditor on the adequacy of the Council's internal control environment is a key source in the preparation of the Annual Governance Statement.

### 5. Comments from the Director of Finance and Corporate Services

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal audit work has clear and direct effects, through the recommendations made, to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

5.2 Legal implications

The City Council is required by the Accounts and Audit Regulations 2015 to approve, and subsequently publish, the Annual Governance Statement alongside the Statement of Accounts. The opinion of the Acting Chief Internal Auditor on the adequacy of the Council's internal control environment as included in the Annual Report is a key source in the preparation of the Annual Governance Statement. Reporting on progress in regards to

the delivery of the Annual Audit Plan ensures that the Council meets its statutory obligations in respect of maintaining an internal audit function and represents good governance.

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council Plan?**

Internal Auditing is defined in the Public Sector Internal Audit Standards as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes". As such the work of Internal Audit is directly linked to the Council's key objectives / priorities with specific focus agreed on an annual basis, and reflected in the annual Internal Audit Plan.

### **6.2 How is risk being managed?**

In terms of risk management, there are two focuses:

- Internal Audit perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee. Delays in the delivery of individual audits could occur at the request of the customer, which could impact on the delivery of the plan. This risk is managed through on-going communication with customers to agree timing and identify issues at an early stage to allow for remedial action to be taken.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

### **6.3 What is the impact on the organisation?**

None

### **6.4 Equalities / EIA**

None

### **6.5 Implications for (or impact on) the environment**

No impact

### **6.6 Implications for partner organisations?**

None

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<b>Names of approvers: (officers and members)</b>				
Barry Hastie	Director of Finance and Corporate Resources	Place	4/6/2019	12/6/2019
Adrian West	Member and Elections Team Manager	Place	4/6/2019	12/6/2019
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	4/6/2019	13/6/2019

This report is published on the council's website:

[www.coventry.gov.uk/meetings](http://www.coventry.gov.uk/meetings)

## Appendix One – Internal Audit Reviews Completed in 2018-19

Audit Area	Audit Title	Assurance
<b>2017-18 B/Fwd</b>	User accounts	Moderate
	Housing benefits	Significant
<b>Corporate Risk</b>	Children's Services (section 17 monies) Financial Culture*	n/a fact finding
	Controls over accessing system data*	Moderate
<b>Council / Audit Priorities</b>	ICT Strategy, policies and procurement	Moderate
	Sharepoint / legacy storage	Moderate
	Changes to invoice processing	n/a systems advice
	Mandatory training*	Moderate
	Resourcelink self service – delegated authority*	Limited
	Homelessness – prevention and relief duties	Limited
	Tax evasion	n/a risk assessment
	Controls over cash administration	Moderate
<b>Financial Systems</b>	Purchasing cards	n/a systems advice
	Accounts payable	Significant
	Accounts receivable	Significant
	Payroll	Significant
	Council tax	Significant
<b>Regularity</b>	CareDirector (income and expenditure)	Moderate
	Annual governance statement	n/a Annual Review
	Early Measures Grant	n/a verification
	Declaration of Interest	n/a Annual Review
	S256 Health Grant	n/a verification
	Troubled Families Programme Claim 1	n/a verification
	Castlewood School	Moderate
	Troubled Families Programme Claim 2	n/a verification
	Foxford School	Moderate
	Spon Gate Primary School	Significant
	Disabled Facilities Grant	n/a verification
	Disabled Facilities Additional Grant	n/a verification
	Teachers' Pension statements	n/a verification
	Post 16 Schools Funding	n/a verification
	Bus Subsidy Grant	n/a verification
	Highway Maintenance / Incentive / Pothole Grant	n/a verification
	Integrated Transport Block Grant	n/a verification
	Highways Maintenance Challenge Fund Grant	n/a verification
	Swanswell Viaduct Grant	n/a verification
	Catch Grant	n/a verification
	School Direct grant	n/a verification
	Frederick Bird Primary School*	Limited
	Sowe Valley Primary School	Moderate
	Corley Centre	Moderate
	Coventry North Regeneration	Significant
	North Coventry Holdings	Significant
	UK Cite Grant	n/a verification
UK Autodrive Grant	n/a verification	
Risk Management	Moderate	

<b>Audit Area</b>	<b>Audit Title</b>	<b>Assurance</b>
	Troubled Families Programme Claim 3	n/a verification
	Troubled Families Programme Claim 4	n/ verification
<b>Directorate issues</b>	Children's Services permanence payments*	Moderate
	Learning disability providers contract management	Moderate
	Agency workers contract	n/a advice
	Car park passes	n/a verification
	Administration of corporate identify cards*	Limited
	Community support grants	Significant
<b>Follow Up</b>	GDPR readiness*	Moderate
	Hillfields School	Significant
	Edgewick School	Significant
	Housing benefit overpayments	Moderate
	Energy billing	Significant
	Direct payments	Moderate
	Management of plant and equipment	Limited

(\*) Audit findings reported to Audit and Procurement Committee during municipal year 2018-19

## Appendix Two – Summary Findings from Key Audit Reports

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p><b>Homelessness – prevention and relief duties</b></p> <p><b>October 2019</b></p> <p><b>Head of Housing / Customer Services Manager</b></p>	<p><b>Overall Objective:</b> To ensure that the Council has effective and efficient processes in place to prevent and relieve homelessness.</p> <p><b>Key controls assessed:</b></p> <ul style="list-style-type: none"> <li>- Processes are in place to ensure all eligible households who are threatened with homelessness have access to appropriate support and Personal Housing Plans are agreed on a timely basis to ensure reasonable steps can be taken to prevent homelessness.</li> <li>- Processes are in place to ensure all eligible households who are already homeless or become homeless are provided with appropriate support to help secure accommodation on a timely basis.</li> <li>- Financial support is made available to prevent and relieve homelessness where applicable to do so, which is underpinned by robust arrangements to support the assessment of funding requests, approval of payments and monitoring of the impact of awards made.</li> <li>- Processes are in place to enable the Council to discharge their Prevention and Relief Duties where appropriate, due to an applicant's deliberate and unreasonable refusal to co-operate with the steps agreed within the Personal Housing Plan.</li> </ul> <p><b>Opinion:</b> Limited Assurance</p> <p><b>Agreed Actions – risk level high (H) or medium (M):</b></p> <ul style="list-style-type: none"> <li>• Ensure that responsibility is allocated for adapting and publishing self-helps packs and agree a deadline for this work to be undertaken to enable customers to take action themselves to resolve their housing problems. (M)</li> <li>• As part of the on-going development of the Service / transformation work, consider how improvements can be made to working practices to ensure all customers who make an approach under the prevention duty are assessed for eligibility on a timely basis. (H)</li> <li>• Introduce arrangements to take account of existing caseloads when producing rotas for housing officers to ensure that officer caseloads are appropriately managed. (H)</li> <li>• As part of the on-going development of the Service / transformation work, introduce a risk based approach to how customers are supported to prevent and relieve homelessness based on an assessment of their individual support needs. (H)</li> <li>• Produce a library of information sheets which staff can refer to and which provides guidance around what</li> </ul>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
	<p>support actions should be considered for different types of customers. (H)</p> <ul style="list-style-type: none"> <li>• Introduce appropriate governance arrangements, including (a) development of documented procedures which cover all key aspects of the prevention and relief duty process (b) establishing performance targets in relation to the timeliness of actions (c) introduce a programme of quality assurance checks on officers cases by Senior Housing Officers and use the results as part of on-going performance management arrangements (d) continue to develop the service's understanding of the functionality of the Jigsaw system in respect of management information which can be used to assist in providing oversight of cases and managing performance. (H)</li> <li>• Communicate to all officers the requirement for all interventions with the customer to be recorded within the Jigsaw system. (M)</li> <li>• Communicate to all officers the requirement to record within the Jigsaw system when notifications are received by the Salvation Army that customers have left or been evicted from their interim accommodation. (M)</li> <li>• Consider whether the weekly lists provided by the Salvation Army to Housing Benefits are fit for purpose and take action to ensure that reliance can be placed on this information. (M)</li> <li>• Issue a copy of the framework for the use of Prevention Pot funding to all staff and develop a written procedure which provides detailed requirements of the processes that staff need to follow. (H)</li> <li>• In all cases where the financial assessment identifies the need to submit an application for a Discretionary Housing Payment, ensure that housing officers provide sufficient support to the customer to complete the application form and submit it on a timely basis. (M)</li> <li>• Work with the Benefits Team to streamline the Discretionary Housing Payment application process, including sharing of supporting information obtained by housing officers. (M)</li> <li>• Reallocate budget holder responsibility for Prevention Pot funding to an appropriate officer within the Housing Team. (M)</li> <li>• Take action to revise the scheme of delegation under the Prevention Pot Framework to reflect a more appropriate view of risk. (M)</li> <li>• Undertake analysis / evaluation of the overall effectiveness of Prevention Pot funding to inform strategy to maximise the benefit. (M)</li> <li>• Establish procedures to provide governance over all decisions to discharge the Council's duty as a result of the customers actions / behaviour. (M)</li> <li>• Establish arrangements for the peer review of cases where a decision is taken to discharge the Council's duty for a customer's deliberate and unreasonable refusal to co-operate, including determining a process for recording these reviews. (M)</li> </ul>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p><b>IT Strategy, policies and procurement</b></p> <p><b>September 2019</b></p> <p><b>Head of ICT and Digital</b></p>	<p><b>Overall Objective:</b> A review of the Council’s IT Strategy and associated polices to ensure processes are sufficiently directed, they are complied with and opportunities to operate more efficiently and be prepared for forthcoming changes are identified.</p> <p><b>Key controls assessed:</b></p> <ul style="list-style-type: none"> <li>- Documented and approved IT Strategy</li> <li>- Comprehensive and documented information security policies</li> <li>- User awareness of cyber security threats including ransomware and spear phishing</li> <li>- Vendor support for all key IT database and operating system platforms</li> <li>- Procurement process linked to any major developments</li> <li>- Procurement of non-IT approved software and hardware</li> </ul> <p><b>Opinion:</b> Moderate Assurance</p> <p><b>Agreed Actions – risk level high (H) or medium (M):</b></p> <ul style="list-style-type: none"> <li>• Management to ensure that a new IT Strategy is produced in line with the Council’s One Coventry vision and priorities. (M)</li> <li>• Management to ensure that all un-supported Windows 2003 servers are promptly decommissioned. (M)</li> <li>• Management to ensure that all un-supported SQL server 2005 databases are promptly decommissioned. (M)</li> <li>• Management to ensure user access to personal and insecure email services is withdrawn. (M)</li> </ul>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings								
<p><b>Direct Payments Follow Up review</b></p> <p><b>April 2020</b></p> <p><b>Independent Living Practice Adviser / Head of Social Work Mental Health and Sustainability</b></p> <p>A summary of progress made against the agreed actions is shown below:</p> <table border="1" data-bbox="132 790 530 1099"> <tr> <td>Number of Actions</td> <td>11</td> </tr> <tr> <td>Implemented</td> <td>8</td> </tr> <tr> <td>No Progress</td> <td>0</td> </tr> <tr> <td>On-going</td> <td>3</td> </tr> </table>	Number of Actions	11	Implemented	8	No Progress	0	On-going	3	<p><b>Overall Objective:</b> To provide assurance that agreed actions have been implemented as planned and there are now robust systems in place to ensure that arrangements for administering and monitoring direct payments are effective, efficient and includes appropriate processes to protect the public purse.</p> <p><b>Recommendations followed up:</b></p> <ul style="list-style-type: none"> <li>- Re-allocate the task of setting up the payment details for new direct payment clients to a more appropriate resource. (H)</li> <li>- Review whether other administrative tasks undertaken by the Financial Monitoring Officer are necessary and if so whether they can be carried out by other parts of the business. (H)</li> <li>- Ensure that the Independent Living Team cease undertaking checks linked to the set up of direct payments and review whether the administration task of recording the Agresso code in CareDirector should be undertaken by other parts of the business in line with other processes. (M)</li> <li>- Review and update the starter letters to direct payment clients to include more payment information to the client in advance of their direct payment commencing. (M)</li> <li>- Change the current approach to monitoring direct payments to a rolling programme of reviews. (H)</li> <li>- Revise the process for obtaining monitoring information from direct payment clients. This should include (a) sending a written request to clients in advance of the date the information is required which details what they need to provide and deadline for providing it (b) reducing the number of reminder letters issued to one with an appropriate deadline by which clients must respond by (c) ensuring that where clients do not respond after the first reminder deadline, details are promptly escalated to case management. (H)</li> <li>- Where issues relating to direct payments need to be escalated, ensure that these are raised through CareDirector. (H)</li> <li>- Review the process for dealing with escalated cases to ensure they are dealt with in a timely manner. (H)</li> <li>- Introduce an annual monitoring spreadsheet which clearly records the checks performed / results and follow up action and which is consistent across all types of direct payments. (H)</li> <li>- Ensure that direct payments for one-off Disabled Facility Grants are monitored. (M)</li> <li>- Ring fence the back log work on direct payment ends and adequately prioritise / resource the activity so that this work is completed promptly and complete work on new direct payment ends on a weekly basis to ensure that backlogs do not recur. (H)</li> </ul> <p><b>Opinion:</b> Moderate Assurance</p>
Number of Actions	11								
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Audit Review / Actions Due / Responsible Officer(s)	Key Findings
	<p><b>Agreed Actions – risk level high (H) or medium (M):</b></p> <ul style="list-style-type: none"> <li>• Review and update the starter letters to direct payments to include (a) a proposed start date for the direct payment and (b) the gross amount of the direct payment that they are due. (M)</li> <li>• Review the process for dealing with escalated cases to ensure they are dealt with in a timely manner. (H)</li> <li>• Ensure that work to process outstanding direct payment ends continues to be undertaken on a timely basis, including action to identify and recover all excess balances in accordance with the Direct Payments policy.</li> </ul>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p><b>CareDirector Income and Expenditure</b></p> <p><b>April 2020</b></p> <p><b>Head of Business Systems / Financial Operations Manager / Operational Manager Financial Assessments</b></p>	<p><b>Overall Objective:</b> To provide assurance that the Council has effective systems in place to administer both payments made through CareDirector and income due from client contributions in respect of adult social care.</p> <p><b>Key controls assessed:</b></p> <ul style="list-style-type: none"> <li>- All source input to the CareDirector system is accurate, complete and carried out on a timely basis.</li> <li>- All relevant clients in receipt of care provision are subject to a financial assessment, which determines accurate charges to be applied against the relevant client account on CareDirector.</li> <li>- Payments to individuals and suppliers are accurate, authorised prior to payment and are made on a timely basis.</li> <li>- Changes in circumstances that affect both services provided and client charges raised in CareDirector are dealt with accurately and on a timely basis.</li> <li>- Controls exist to ensure that the interface between CareDirector and Agresso is processed accurately and completely.</li> <li>- Appropriate action is taken to pursue outstanding monies owed to the Council and provide accurate budgetary control information for management.</li> </ul> <p><b>Opinion:</b> Moderate Assurance</p> <p><b>Agreed Actions – risk level high (H) or medium (M):</b></p> <ul style="list-style-type: none"> <li>• Consider how workflow within adult social care can be improved to ensure service provisions are input on a timely basis. (H)</li> <li>• Take action to ensure (a) ensure that arrangements for the electronic filing of invoices are fit for purpose and complied with (b) introduce risk based checks over manual variations to invoices input to the CareDirector system to ensure that they are supported by an approved Service Request Form. (H)</li> <li>• Take action to improve the timeliness of ending service provisions on the CareDirector system. (H)</li> <li>• Take action to reduce / minimise retrospective requests for service provisions being received. (H)</li> <li>• Ensure that checks on out of city placements are undertaken on a quarterly basis. (M)</li> <li>• Consider how workflow within adult social care can be improved to ensure referrals to Financial Assessments are received on a timely basis. (M)</li> <li>• Ensure that all outstanding audit actions linked to the financial assessment process are implemented. (M)</li> </ul>