



**Report to**

Audit and Procurement Committee

19<sup>th</sup> October 2020

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director approving submission of the report:**

Director Finance & Corporate Services

**Ward(s) affected:**

City Wide

**Title:**

Internal Audit Annual Report 2019-20

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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 2019 to March 2020 against the agreed Audit Plan for 2019-20 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 2019-20 (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 2019-20.
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 2019-20 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 2019-20

Appendix Two - Summary findings from key audit reports

**Background papers:**

None

**Other useful documents:**

Half Year Internal Audit Progress Report 2019-20

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=12091&Ver=4>

Internal Audit Plan 2019-20 – Quarter Three Progress Report

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=12093&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 2019-20

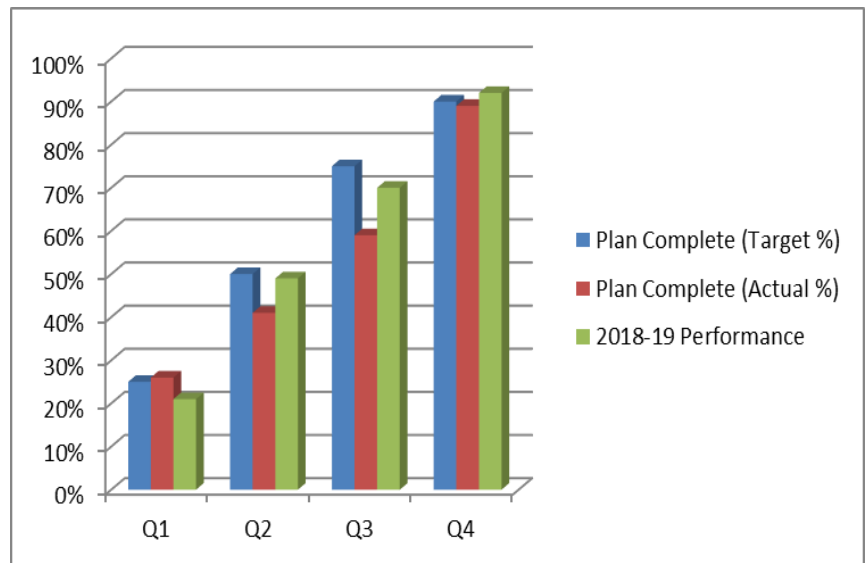
**1. Context (or background)**

- 1.1 The Audit and Procurement Committee approved the Council's Internal Audit Plan for 2019-20 at its meeting on the 24<sup>th</sup> June 2019. During the last financial year, the Committee has received progress reports summarising completed audit activity in November 2019 and March 2020.
- 1.2 This report details the performance of the Internal Audit Service against the Plan for 2019-20, 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 2019-20 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 Service is to complete 90% of its agreed work plan by the 31<sup>st</sup> March 2020. During 2019-20, the audit plan was subject to revision due to unplanned absence in the Team / implementation of the restructure, which the Audit and Procurement Committee were previously advised of. As a result, the performance of the Service has been assessed against the revised audit plan of 440 days. As illustrated by the chart overleaf, the service delivered 89% of this plan.

**Chart One: Performance of Internal Audit 2019-20**



Whilst it is recognised that the performance is slightly below target, this was solely due to the impact of Covid-19 in March 2020 which led to delays in finalising two draft audit reports by the 31<sup>st</sup> March 2020 (both reports have since been agreed.) In respect of the other remaining four audits which formed part of the 2019-20 audit plan and which were not completed by the end of March 2020, two have now been finalised and two were postponed due the pandemic (and will be rescheduled as appropriate.)

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 2019-20, compared with performance in 2018-19.

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

Performance Measure	Target	Performance 2019-20	Performance 2018-19
<b>Planned Days Delivered</b>	100%	95%	94%
<b>Productive Time of Team</b> (% of work time spent on audit work)	90%	88%	91%
<b>Draft Report to Deadline</b> (Draft issued in line with date agreed)	80%	85%	84%
<b>Final Report to Deadline</b> (Final issued within 4 weeks of draft)	80%	88%	82%

<b>Audits Delivered within Budget Days</b>	80%	79%	77%
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Whilst all performance measures are close to or above target, these remain a key area of focus for the Service, as 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 2019-20, the Programme included the following:

- On-going supervision and review of audit work including the use of quality review checklists to provide a formal assessment of the quality of the work undertaken and identify areas for improvement.
- Results of staff performance appraisals.
- Support and induction for new members of staff.
- Continued focus on planning and time management to deliver audits in budget days through weekly team meetings.

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 2019-20 due to the recruitment and induction of new staff, alongside responding to ad hoc requests for work from senior management during the year. Forthcoming progress against these actions will be included in future reports to the Audit and Procurement Committee.

**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.
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

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 2019-20**

2.3.1 Appendix One details the audit reviews that have been carried out in the financial year 2019-20 along with the level of assurance provided. Table three below 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 2019-20 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 2018-19** – 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:

- **Homelessness** – This disclosure was based on the findings of the 2018-19 review of the Council's processes to prevent and relieve homelessness, along with the need for

the refreshed Housing and Homeless Strategy and new roles within the Service to become embedded. In 2019-20, there has continued to be a significant increase in demand. However, new initiatives such as the introduction of Housing First and the Council's new temporary accommodation solutions are expected to make significant inroads on the Council's financial pressures moving forward. This remains a key area of focus (including a further Internal Audit review planned in 2020-21) and as Covid-19 has added greater risk and complexity to this key activity, this issue has been considered in the preparation of the Annual Governance Statement for 2019-20.

- **Controls over accessing system data** – This disclosure was based on the findings of a review of the Council's arrangements to govern employee's use of ICT systems holding personal / sensitive data. During 2019-20, a working group was established to review standards and facilities in key systems and a protocol and checklist have been drafted. However, as a new corporate data access standard has yet to be implemented, this issue has been considered in the preparation of the Annual Governance Statement for 2019-20.
- **Delivery of the IT Strategy** – This reflected the requirement for an updated IT Strategy and the findings of a review of the Council's IT Strategy, Policies and Procurement undertaken in 2018-19. The updated Strategy was approved by Cabinet in October 2019 and is aligned to the One Coventry approach. It also reflects requirements stemming from the Medium-Term Financial Strategy, the One Coventry Council Plan, City of Culture and the Digital Coventry Strategy, whilst also recognising the need for robust cyber security arrangements. The Strategy now forms part of the business as usual activity of the Council.

#### 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. Whilst there has been some impact on the total number of individual audits carried out in 2019-20 as a

result of the revised audit plan of 440 days (in comparison to 480 days in 2018-19), sufficient assurance work across the areas which are key to forming the annual audit opinion (i.e. audits of key financial systems, reviews linked to the management of corporate risks and follow up reviews) has been carried out.

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. 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.

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.

The audit opinion covers the adequacy and effectiveness of Coventry City Council's internal control environment during the financial year 2019-20. Due to the pandemic, it is inevitable that some changes to the normal operation of controls were required during March 2020. In response, a log of internal control issues which have arisen has been maintained by Internal Audit to ensure the ongoing effectiveness of the system of internal control, including agreeing compensating controls where required. Examples of this include:

- Advising on arrangements for issuing purchasing cards whilst staff are working from home to protect against fraud and misappropriation of cards.
- Agreement of controls to enable payments to be made to home support providers to support cashflow and who cannot submit invoices due to covid-19.
- Arrangements to enable the Schools Finance Team to undertake year end processes on behalf of schools whilst maintaining appropriate separation of duties and an audit trail of actions.

Whilst this approach has provided assurance that arrangements in March 2020 continued to be appropriate, there is clearly a risk that due to the on-going nature of the situation, the pandemic may impact on the annual audit opinion for 2020-21.

2.4.4 In addition to advising on internal controls as detailed above, the Internal Audit Service have contributed directly to the Council's response to the pandemic through:

- Providing support to services on the set up of grant schemes to minimise the risk of fraud and error.
- Undertaking a lead role in providing assurance on the Small Business Grant Fund, the Retail, Leisure and Hospitality Grant Fund and the Local Authority Discretionary Grant Fund to both the Council and the Department of Business, Energy and Industrial Strategy.
- Undertaking investigations in respect of grant funding where fraud is suspected.



- Development of a process to provide governance over requests to the Council to provide supplier relief in response to Procurement Policy Notes issued by the Cabinet Office and a member of the Supplier Relief Panel who consider all such requests.

More details on this work will be provided to the Audit and Procurement Committee in future reports covering the 2020-21 financial year.

2.4.5 **Audit work undertaken** – Appendix One details the audit reviews that have been carried out in the financial year 2019-20 along with the level of assurance provided. In considering the outcome of audit activity for 2019-20, an assessment is initially made of the number of 'limited' or 'no' assurance audits (as these require immediate improvements) in comparison with the results from 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
2019-20	49	8	16%
2018-19	60	5	8%
2017-18	65	7	11%

Table four above indicates that there is a slightly higher percentage of audits with "limited" or "no" assurance in 2019-20 in comparison to the previous two years. However, in the Chief Internal Auditor's opinion this remains at an appropriate level in regards to providing an opinion of moderate assurance on the overall control environment, based on the definition of assurance in table three in section 2.3.1. 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 eight 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 2019-20, the audit plan included a small number of reviews arising from specific requests from management to provide assurance as concerns already existed that improvements were required to manage risks effectively.

**2.4.6 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 2019-20.

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. Health and Safety Audit Programme** – This reflects the findings of a review of the Council's audit arrangements in regards to health and safety, which is summarised at Appendix Two. The review highlighted the need for improvements to the audit element of the Council's overall Audit, Inspection and Monitoring Programme which is in place to provide effective management of health and safety risks by providing independent assurance around compliance with legislation and identifying actions for improvement.

**2. IT Disaster Recovery** – This reflects the findings of a review of the Council's IT disaster recovery arrangements, which is summarised at Appendix Two and the recognition that further development of systems and arrangements is required to ensure the Council has effective and robust systems in place for IT disaster recovery and business continuity, especially given the reliance on IT within the modern working environment.

**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 the Director of Law and Governance**

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) climate change and 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 Services	-	1/10/2020	6/10/2020
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	8/10/2020	8/10/20

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 2019-20

Audit Area	Audit Title	Assurance	
<b>2018-19 B/Fwd</b>	Housing Benefits	Significant	
	Business Rates *	Moderate	
	ICT Strategy, policies and procurement	Moderate	
	Passenger Transport Follow Up *	Limited	
<b>Corporate Risk</b>	Car park passes	Fact finding	
	Health and Safety audit programme	Limited	
	Management compliance with HR procedures – Children’s Services *	Limited	
<b>Council / Audit Priorities</b>	System upgrades / development project and change management	Significant	
	IT Disaster Recovery and business continuity	Limited	
	Council Plan performance – data quality *	Moderate	
<b>Financial Systems</b>	Agency Workers Contract	Moderate	
	Accounts receivable	Significant	
	Payroll	Significant	
	Council tax	Significant	
	Business rates	Moderate	
	Housing Benefits	Significant	
	CareDirector (income and expenditure)	Moderate	
	<b>Regularity</b>	Annual governance statement	n/a Annual Review
		Declarations of Interest	n/a Annual Review
Risk Management		Moderate	
Coventry North Regeneration		Significant	
North Coventry Holdings		Moderate	
Growth Deal Hub Grant		n/a verification	
Disabled Facility Grant		n/a verification	
Additional Disability Grant		n/a verification	
S256 Health Grant		n/a verification	
Troubled Families Claims		n/a verification	
Sherbourne Fields Teaching Grant		n/a verification	
Teachers Pension Statements		n/a verification	
Post 16 School Funding		n/a verification	
Bus Subsidy Grant		n/a verification	
Parking Platform Grant		n/a verification	
Integrated Transport Block Grant		n/a verification	
Highways Maintenance Grant		n/a verification	
Alder Moor Farm Primary School		Significant	
Grange Farm Primary School		Moderate	
St Osburg’s Primary School *		None	
<b>Directorate issues</b>		Coroners Review	Fact Finding
	Community Support Grant – controls over vouchers	Significant	
	Tribunals for Special School Places	Significant	
	Eric Williams House - Controls over Cash *	Moderate	
	Trading Standards Exercise of Warrants	Fact Finding	
	Grants Process (Cultural Grants)	Limited	
	Additional and Selective Licensing	Fact Finding	
<b>Follow Up</b>	Homelessness Prevention and Relief	Fact Finding	
	Frederick Bird Primary School *	Significant	

Audit Area	Audit Title	Assurance
	S17 Children's Services Financial Culture	Moderate
	Access to Council Buildings	Limited

(\*) Audit findings reported to Audit and Procurement Committee during municipal year 2019-20

## Appendix Two – Summary Findings from Key Audit Reports

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p><b>Health and Safety – Audit Programme</b></p> <p><b>June 2020</b> (delayed due to impact of Covid-19)</p> <p><b>Service Manager</b> <b>Occupational Health, Safety and Wellbeing Services</b></p>	<p><b>Overall Objective:</b> To ensure that the Council has effective audit arrangements in place which provide appropriate assurance around compliance with health and safety and contributes towards the improvement of safe systems of work.</p> <p><b>Key controls assessed:</b></p> <ul style="list-style-type: none"> <li>- The scope of the Health and Safety audit programme is effective and reflects the pragmatic assessment of risk.</li> <li>- The planned programme of audit work is complied with, with processes in place to ensure the quality of audits undertaken.</li> <li>- A robust framework is in place to monitor and report on the implementation of actions agreed as a result of each audit.</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>• Take steps to incorporate an assessment of the level of resources available into the audit planning process. (H)</li> <li>• Develop a systematic approach to using incident reporting data to inform the audit programme. (M)</li> <li>• Ensure that the annual audit programme accurately reflects the agreed approach to the audit of service area action plans. (H)</li> <li>• Ensure that the school audit programme is updated following each audit to accurately reflect when the next audit is due. (M)</li> <li>• Ensure that the annual audit programme is subject to review and approval by the Occupational Health, Safety and Wellbeing Service Manager. (H)</li> <li>• Ensure that completion of the audit programme is built into the overall plan of work for the Service, with appropriate priority given to completing the programme by the end of each year. (H)</li> <li>• Undertake systematic monitoring of progress made against the audit programme, including agreeing appropriate management actions where there is slippage against the plan and reporting on progress to the Health and Safety Strategy Group and the Joint Health and Safety Forum. (H)</li> <li>• Update the Audit Protocol to provide comprehensive guidance around the audit process. (M)</li> <li>• Ensure that an adequate audit trail is maintained to provide evidence of the quality assurance checks undertaken on completed audits. (M)</li> <li>• Take action to strengthen arrangements over the follow up process. (H)</li> </ul>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p><b>Sports and Arts – Cultural Grants Process</b></p> <p><b>April 2020</b></p> <p><b>Head of Sport, Culture and Destination Services</b></p>	<p><b>Overall Objective:</b> To ensure the Council has effective systems in place to provide robust governance over grant schemes to support cultural activities within the city.</p> <p><b>Key controls assessed:</b></p> <ul style="list-style-type: none"> <li>- Appropriate arrangements are in place to govern the assessment and award of grant applications made which ensures that funding priorities are delivered.</li> <li>- Effective systems are in place to support the payment of grants which have been awarded, including the use of grant aid agreements and the authorisation of payments in accordance with the Council’s scheme of delegation.</li> <li>- Processes are in place to monitor the use of grants by organisations and gain assurance that grants have been spent on their intended purpose, including appropriate management oversight.</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>• As part of the fundamental review of the grants scheme, define / agree the role of the different officers in the Sports and Arts Service within the governance framework relating to grants, to put the Service in a position to ensure that funding priorities are clearly aligned to decision making and that any potential for vulnerability to fraud is mitigated. (H)</li> <li>• For all new grant schemes, ensure that a complete audit trail is maintained to support the decision-making process in relation to the grant awards made. (H)</li> <li>• Following the completion of the fundamental review of the grants scheme and the implementation of any outcomes from this, ensure that grant aid agreements (or equivalent) are put in place for all grants which are awarded. (H)</li> <li>• As part of the fundamental review of the grants scheme, determine formal arrangements for monitoring the use of core grants, including a process for providing assurance to senior management within the Sports and Arts Service on the results of this monitoring (H)</li> <li>• Develop a structured process for evaluating completed grant schemes and reporting the results of this to senior management within the Sports and Arts Service. (M)</li> </ul>



Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p><b>IT Disaster Recovery and Business Continuity</b></p> <p><b>April 2021</b></p> <p><b>ICT Operational Delivery Manager / Resilience Team</b></p>	<p><b>Overall Objective:</b> To ensure the Council has effective and robust systems in place for IT disaster recovery and business continuity.</p> <p><b>Key controls assessed:</b></p> <ul style="list-style-type: none"> <li>- A robust IT disaster recovery process is in place including clear plans and other relevant process documentation, with roles and responsibilities assigned and risks identified and documented.</li> <li>- Business impact assessments have been used to inform disaster recovery arrangements, including the various recovery point and recovery time objectives and the maximum tolerable period of outage for the service, as expressed by the business.</li> <li>- IT disaster recovery plans are up to date and are able to serve the Council's wider business continuity management objectives, with IT processes which are sufficiently resilient to enable recovery to take place according to the requirements of the business.</li> <li>- IT disaster recovery plans are subject to appropriate testing to ensure they are effective, with the results of testing (and any real incidents) used to adapt plans and processes appropriately.</li> <li>- IT disaster recovery arrangements are appropriately joined up with the Council's wider business continuity management arrangements.</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>- Further development planning between the ICT Service and the Resilience Team to take place to agree an appropriate business continuity template for IT disaster recovery processes which better suits the provider status that ICT has in the recovery process. (H)</li> <li>- Ensuring that the business understands what ICT is capable of in the event of serious outage and ICT can review business continuity plans to ensure they are reasonable, contain all the relevant systems and key dependencies and interdependencies are highlighted. (H)</li> <li>- Maintaining a schedule that clearly sets out the recovery source of all applications, data and other key devices and where these are missing, considering the risk implications of these. (M)</li> <li>- Making owners and users of the business systems that are not on out of office support aware of this and determining the associated risks with this. (M)</li> <li>- Introducing formal and regular disaster recovery testing arrangements. (M)</li> <li>- Establishing a formal process for business continuity and IT disaster recovery to work together to develop a fully aligned understanding of business requirements for ICT and what is possible in recovery time / point terms</li> </ul>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
	<p>from ICT's point of view.</p> <ul style="list-style-type: none"> <li>- Ensure all business continuity plans are reviewed by ICT and challenged where appropriate as part of the annual business continuity plan review. (M)</li> </ul>