Internal Audit Progress Report
30th January 2019

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Introduction

The Internal Audit function is a statutory function for all Local Authorities. Southampton City Council Internal Audit service has an in-house team and a shared Chief Internal Auditor with Portsmouth City Council (PCC). The in house audit team is supported by audit & counter fraud staff from PCC under a collaborative working arrangement.

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body 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.'

The standards for 'proper practices' are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2016].

Purpose of report

The purpose of this report is to update the committee on the progress of the 2018/19 Audit Plan as at 30th January 2019 and to highlight any significant risk exposure and control issues, including fraud and governance risks. Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives. Assurance opinions are categorised as follows:

Overall Assurance Levels:	Description / Examples
Assurance	No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority
Reasonable Assurance	Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority
Limited Assurance	Control weaknesses or risks were identified which pose a more significant risk to the Authority
No Assurance	Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit

NOTE: Where the audit receives an overall level of 'No Assurance' then the exceptions are be reported in their entirety to the Governance Committee along with the Directors comments.

The following table outline the exceptions raised in audit reports and are reported on in priority order.

| Exception Priority Level	Description
Low Risk - Improvement	Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.
Medium Risk	These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.
High Risk	Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not "show stopping" but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.
Critical Risk	Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the organisation's objectives in relation to: The efficient and effective use of resources, The safeguarding of assets, The preparation of reliable financial and operational information, Compliance with laws and regulations and corrective action needs to be taken immediately.

NOTE: Any critical exceptions found the exceptions will be reported in their entirety to the Governance Committee along with the Directors comments.

The following table outlines the follow up categories used to describe the outcome of follow up testing completed.

Follow Up Categories	Description
Open	No action has been taken on agreed action.
Pending	Actions cannot be taken at the current time but steps have been taken to prepare.
In Progress	Progress has been made on the agreed action however they have not been completed.
Implemented but not Effective	Agreed action implemented but not effective in mitigating the risk.
Closed - Verified	Agreed action implemented and risk mitigated, verified by follow up testing.
Closed – Not Verified	Client has stated action has been completed but unable to verify via testing.
Closed – Management Accepts Risk	Management have accepted the risk highlighted from the exception
Closed – No Longer Applicable	Risk exposure no longer applicable.

Audit Plan Progress:

AUDIT PLAN PROGRESS TO 30TH JANUARY 2019

Identified, 18, 21%

Issued, 36, 42%

Field Work, 31, 37%
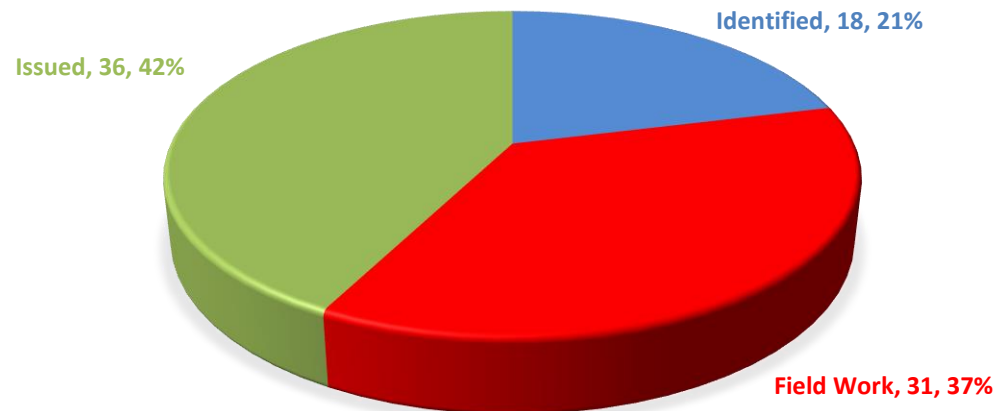
79% of the Audit Plan has been completed or is in progress as at 30th January 2019. The remaining 21% has yet to commence. This is based on 85 audits, which includes follow up reviews.

Breakdown of Progress:

Status	Number of Audits
Identified	18
Field Work	31
Draft Report	0
Issued Report	36

Unplanned Work:

Since 30th October 2018 to 30th January 2019, Internal Audit has provided advice/performed adhoc work in the following area. (For reference, Advice is only recorded when the time taken to provide the advice exceeds 1 hour).

- Data Analysis and data matching in relation to Duplicate Invoices. Work has been undertaken to use data analytics software to identify potential duplicate invoices and or payments with the view to conduct continuous testing in this area.
- Compiling documentation for a Freedom of Information request for reports commenting on procurement since 2010.

Audit Plan Status/Changes:

The following changes have been made to the plan since it was agreed earlier in the year. These changes are as follows;

Audits removed from the audit plan:

1. Continuing Healthcare and NNDR (National Non-Domestic Rates) have been removed as there were no high risk areas at close of audit and therefore no follow-up is required.
2. Accounts Payable was entered twice in the 2018/19 audit plan, one entry has therefore been removed.
3. Telecommunications has been removed as the work required will be carried out as part of the Mobile Devices review.
4. LATCo has been removed as this area is currently on hold pending the transfer of services from CAPITA to SCC. Consideration for auditing in this area will be given as part of the 2019/20 planning processes.
5. Project 'Modular Housing' has been removed due to the project being placed on hold. Consideration for auditing in this area will be given as part of the 2019/20 planning processes.
6. Developing Business Plans and Business Planning & Risk Management (Public Health) have been removed to enable embedding of new arrangements. This will now be audited as part of the 2019/20 audit plan.
7. HMO (Houses in Multiple Occupation) Licensing has been moved to the 2019/20 audit plan following a change in legislation. This move will enable the service to embed any amendments to processes as a result of the changes.
8. Housing Benefits has been moved to the 2019/20 audit plan as no exceptions were raised at close of audit for 2017/18.
9. Website Project Development, IT Application & Operating Systems, Recruitment & Retention, and Admissions & Exclusions are all moved to the 2019/20 audit plan to accommodate resourcing issues within the audit team following long term sickness absence.
10. Short Breaks has been moved to the 2019/20 audit plan due to the new Short Breaks offer going live from the new financial year in April 2019.

Areas of Concern:

1. IT Procurement, Inventory Control and Disposal – See confidential Appendix A for full audit report.
2. Mount Pleasant School – Summarised in the main body of the report, see Appendix B for full audit report.

Completed Audits between 30th October 2018 and 30th January 2019

Project Name	Hub	Overall Opinion	Total No. of Issues/Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk Improvement
Early Education & Childcare	Operational (SD Children and Families)	*Assurance*	*1*	*-*	*-*	*-*	*1*
Scope of Audit:	*Council strategy, payments to providers, evidence of eligibility for free childcare entitlement, application forms, mechanism to identify failing providers and appropriate advice, help and training is provided.*						
One low risk exception arose relating to one out of four providers tested not being able to evidence a child's birth certificate to confirm eligibility and 3 parent declaration forms had not been signed by the parent and/or guardian.							
Building Control	Operational (SD Growth)	*Reasonable Assurance*	*1*	*-*	*-*	*1*	*-*
Scope of Audit:	*Site inspection records, full plan applications are assessed by a surveyor, issuing of completion certificates, administration of building control fees, publishing of financial statements, robust complaints procedure.*						
One medium risk exception arose due to financial statements not being published to the general public since 2014/15, which is a legal requirement of the Building (Local Authority Charges) Regulations 2010.							
Planning	Operational (SD Growth)	*Reasonable Assurance*	*2*	*-*	*-*	*2*	*-*
Scope of Audit:	*Collecting and publishing planning fees, processing of planning applications, complaints, pre-application advice, monitoring of planning applications.*						
The medium risk relates to 1/10 approved applications failing to meet its agreed extension date for making a decision. The second medium risk relates to 8/10 pre-application queries failing to meet their target date, in two cases the response letters were sent 109 and 54 days after the target date.							
Land Charges	Strategy (SD Legal & Governance)	*Reasonable Assurance*	*3*	*-*	*-*	*1*	*2*
Scope of Audit:	*Administration of local land charges, charging and collecting fees, secure register, search requests are responded to within corporate timescales and amendments to the register are accurate.*						
One medium risk exception arose due to a significant time lapse since the previous study was undertaken to determine the value of the land charges fee required to cover the cost of the resource involved, meaning the council could be over or undercharging. The first low risk relates to the authority taking the fee in cash and cheque which is labour intensive due to the requirement of daily reconciliations. The other low risk relates to there not being any policies or procedures in place for the administrating of the Local Land Charges process.							

Apprenticeships	Strategy (SD HR & Organisational Development)	Reasonable Assurance	3	-	1	2	-
Scope of Audit:	*Monitoring and reporting on the apprenticeship program, calculating and paying the apprenticeship levy, apprenticeship compliance, apprenticeship job opportunities, reclaiming allowable funds.*						

The first high risk exception arose due to Internal Audit only being able to source 1 application form with approval from a sample of ten apprentices. The first medium risk relates to reconciling payments which highlighted on the tracker spreadsheet £4,500 of payments should have been received, however Agresso showed that £3,500 had been received. The final medium risk relates to only 6/9 target reporting figures being published on the website and therefore the authority was not fulfilling statutory requirements.

It should be noted that the Authority will being to lose funds from the levy pot in July 2019 (approximately £80k per month). The only way to decrease or eliminate the risk of losing these funds is to increase the number of apprentices. Whilst significantly increasing the number of apprentices would decrease the amount of lost levy funds it would also have knock on effects. Recruiting new apprentices may have a negative overall financial impact as their salary may be greater than the amount reclaimed from the levy. Similarly placing current employees on apprenticeships will affect the overall effectiveness of the relevant team in the short term as apprentices are required to spend 20% of their time off the job. Therefore there is not a simple solution to this issue and a suitable balance should be sought between losing funds paid into the levy and having a suitable number of apprentices that does not compromise the effectiveness of the Authority.

Access Controls	Operational (SD Digital & Business Ops)	Reasonable Assurance	5	-	-	4	1
Scope of Audit:	*Generating new users across the Active Directory, Si-Dem and Agresso, personal devices network access, third party organisations access, monitoring of administration accounts, password administration.*						

The first medium risk relates to only 1/10 third party organisations being signed up to the current confidentiality and acceptable use statement for 3rd party users, this would have been raised as a high risk if the statement had changed significantly or the service hadn't been already working proactively to get organisations signed up. The second medium risk relates to the lack of monitoring on the activities of administration accounts. The third medium risk relates to 5 systems being non-compliant with the Network Security Policy in relation to password character requirements and Lagan system having no form of password administration. The fourth medium risk is in relation to the administration of the Si-dem parking system where users are not always setup on written instruction and the administrator lacked the technical understanding to differentiate between some access levels. The final low risk relates to the authorising of new user account requests which can be authorised by managers who might not have knowledge of the service the request is being authorised for.

Ethics	Strategic (SD Legal & Governance)	Limited Assurance	3	-	2	1	-
Scope of Audit:	*Suitable policies and procedures, Declaration of Interests are being completed and reviewed, Gifts and Hospitality Register procedures, staff awareness of their ethical responsibility, ethical risks are mitigated.*						

The first high risk exception arose due to the Gifts and Hospitality Policy not having been updated since 2016 and contained out of date information, The Register of Outside Interests Policy has not been updated since 2012 and staff are not asked to review the declarations to ensure they are still valid. The second high risk relates to lack of mandatory staff training regarding either policy, only 2 gifts and 16 declarations of interest have been logged by staff in an authority employing over 5000 people (including schools) and from a survey of staff only 65% (11/17 respondents) had read the Registration of Outside Interest Policy and 53% (9/17 respondents) had read the Gifts and Hospitality Policy. The medium risk relates to 9 of 16 forms for staff who had declared an outside interest not being located.

Public Health (Community) Funerals	Operational (SD Transactional & Universal)	Limited Assurance	4	-	1	2	1
Scope of Audit:	*Up to date procedures, property searches are documented, items removed are held securely, net assets are correctly transferred to the Treasury Solicitor where applicable, expenses are accurate, current contract.*						

The high risk exception arose relating to exact inventories of items removed from the deceased's estate not being documented. In 9/10 cases files did not include a copy of the personal item handed over between police and SCC in the deceased's file and search notes were not reviewed or approved by another officer to verify the search records were accurate and in 1/10 cases a property search date or record of the property search was not held. A medium risk arose due to the internal Public Health funeral case spreadsheet not reconciling with the information from finance spreadsheets in 5/10 cases, in total £25,402 was absent from the internal public health funeral case spreadsheet compared with the information from finance. The second medium risk relates to a cabinet containing personal files and a small number of personal items not being locked when the office is left unattended. The final risk is a low risk improvement due to there not being a formal policy detailing staff responsibilities under the Public Health Act 1984.

Regeneration Projects	Operational (SD Growth)	Limited Assurance	4	-	2	1	1
Scope of Audit:	*Up to date procedures, property searches are documented, items removed are held securely, net assets are correctly transferred to the Treasury Solicitor where applicable, expenses are accurate, current contract.*						

One high risk exception arose relating to Townhill Park Regeneration project not having a risk register. The second high risk relates to the project also not having a dedicated project board, instead progress is reported to the Major Project Programme Board on a monthly basis, however only five reports have been presented since September 2017. The medium risk relates to the Townhill project having its own cost centre which is not broken down beyond the headline figure making it harder to monitor the budget. The Low risk improvement relates to the Authority's Decommissioning of Housing Stock Policy including an inaccurate figure for home loss payments.

Pest Control	Operational (SD Transactional & Universal)	Limited Assurance	6	-	1	5	-
Scope of Audit:	*Compliance with Control of Pesticides Regulations, refund process, commercial contracts, means tested discounts, job sheet retention, financial reporting, internal jobs income is reclaimed.*						

One high risk exception arose relating to the lack of a joined up approach between the pest control service, business support and the contact centre which resulted in 61% of expected refunds not being issued back to the customer, inaccuracies in the record or refunds and a lack of

reconciliations of expected refunds. The medium risks related to some customer benefit discounts not being applied correctly, a lack of a stock register, appointment bookings not including sufficient information, a lack of monitoring of commercial contracts and significant delays in the recharging of internal jobs.							
Children in Need (Processes)	Operational (SD Children and Families)	*Limited Assurance*	*4*	*-*	*2*	*2*	*-*
Scope of Audit:	*Council strategy, single assessments, CIN plans follow a single assessment, CIN plans are reviewed on a regular basis, transfer of information is GDPR compliant, appropriate manager oversight.*						
The first high risk relates to the information in Paris not being accurate enough to be relied on to confirm how many cases were completed outside of the 45 day statutory period. The second high risk relates to 3/10 cases not having a level of supervision that was compliant with the supervision policy manual. The first medium risk relates to 1/3 reviewed cases not including comments regarding the lateness of the completion which was over the 45 day statutory period. The final medium risk relates to the review of cases not progressing to CIN plans, for 3/10 cases there were valid reasons but they had not been closed down for 2 months in two cases and 3 months in the final case.							
IT Procurement, Inventory Control & Disposal	Operational (SD Digital & Business Ops)	*No Assurance*	*5*	*-*	*4*	*1*	*-*
Scope of Audit:	*Policies and procedures, procurement of equipment, database accuracy and verification checks, GDPR and WEEE compliant disposals, inventory controls and administration, redeployment process.*						
See Confidential Appendix A							
Mount Pleasant Junior School	Schools	*No Assurance*	*14*	*-*	*11*	*3*	*-*
Scope of Audit:	*Compliance with Control of Pesticides Regulations, refund process, commercial contracts, means tested discounts, job sheet retention, financial reporting, internal jobs income is reclaimed.*						
Overall, based on the high number of exceptions raised in relation to the Strategic Financial Management of the school, Internal Audit can give no assurance on the effectiveness and accountability of financial management controls until the agreed actions to the highlighted exceptions have been implemented. It was noted in this review that the Schools Financial Value statement and therefore the Governor's self-assessment of the financial management of the School is 'not in line with our judgement'. The individual exceptions can be viewed in Appendix B which includes a full copy of the Mount Pleasant Junior School audit report.							

Completed Follow up Audits between 30th October 2018 and 30th January 2019

	Project Name	Follow Up Opinion	Original Opinion	Original Number of Issues /Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned
1.	**Council Tax**	**Reasonable Assurance**	**Reasonable Assurance**	**2**	**-**	**1**	**-**	**1**	**N/A**

Scope of Follow Up:	*Discounts and exemptions applied to student, uninhabitable and major refurbishment properties,*
Summary of Follow Up:	Although the overall assurance level remains the same, progress has been made in how discounts, disregards and exemptions are awarded.

Risk	Original Issue	Status
High	Using data analytics software audit found 4 (16%) out of 25 sampled accounts had been awarded a discount, disregard or exemption incorrectly or needed to be review.	**In Progress**

Follow up Testing

Follow up tested found 3 out of 25 sampled accounts needed reviewing due to a lack of evidence to confirm student status after receiving the initial student declaration information. New twice yearly reports ensure discounts don't exceed statutory timeframes.

Risk	Original Issue	Status
Low Risk - Improvement	There is a lack of easily reportable management information in respect of the reasons why accounts are written off.	**Closed (Management Accepts Risk)**

Follow up Testing

This process was reviewed however the service did not see the value in recording information due to paper returns holding this detail and it is believed this can be pulled through quickly if required rather than adding another process.

	Project Name	Follow Up Opinion	Original Opinion	Original Number of Issues /Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned
2.	**Purchase Cards**	**Limited Assurance**	**Limited Assurance**	**4**	**-**	**4**	**-**	**-**	**N/A**

Scope of Follow Up:	*Limited supporting evidence for expenditure, lack of service responsibility over purchases, cardholder monthly reconciliations, authoriser monitoring, card limits.*
Summary of Follow Up:	Follow up testing found two high risk exceptions were still in progress, one remained open and one was closed and verified. Until all the high risks are mitigated, the assurance level on arrangements will remain the same.

Risk	Original Issue	Status
High	The first high risk related to testing highlighting 8% of purchase card transactions tested did not have adequate information and 24% failed to evidence VAT receipts for their purchases.	**In Progress**

Follow up Testing

Project Name	Follow Up Opinion	Original Opinion	Original Number of Issues /Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned
Follow up testing sampled 21 purchase card transactions which found 4/21 did not provide a receipt of the transaction. Additionally the exception remains in progress due to the Purchase Card policy and procedure review process having not been finalised.								
High	The second high risk related to a lack of accountability due to Business Support carrying our purchase requests on behalf of Children and Adult services.							*In Progress*
Follow up Testing								
Follow up testing identified that a review of purchase card transactions per service area had yet to be undertaken. Testing reviewed two new applications and found both applications were processed upon approval from the Finance Director.								
High	The third high risk related to an Agresso verifier report identifying 3,519 unreconciled transactions which totalled £224,590 which were therefore not tax reclaimable.							*Open*
Follow up Testing								
Follow up testing evidenced that between April and September 2018, 705 (£40,997.43) transactions were un-coded or unreconciled. Additionally audit could not evidence unreconciled transaction reports being sent out to authorising officers and/or service leads.								
High	The fourth high risk relates to 9/25 sampled transactions being above the single transaction limit (£500) and of those, 6 items (66%) worth £13,099 did not evidence the relevant application and/or email communication for a limit increase approval as per policy procedures.							*Closed and Verified*
Follow up Testing								
Follow up testing evidenced that all five credit limit increases in the current financial year had all the supporting documentation and emails were held on file.								

	Project Name	Follow Up Opinion	Original Opinion	Original Number of Issues /Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned
3.	**Project Governance (Studio 144)**	**Reasonable Assurance**	**Limited Assurance**	*4*	*-*	*4*	*-*	*-*	*N/A*

Scope of Follow Up:	*Project governance framework and compliance, gateway reviews, independent monitoring, post completion reviews, monitoring of ongoing projects, data collected and presented is reliable and valid.*
Summary of Follow Up:	Follow up testing shows a corporate approach to Project Governance has been established however this is yet to be rolled out across the entire organisation, and, therefore the approach is yet to be embedded.

Risk	Original Issue	Status
High	The first high risk related to a project feasibility study being conducted in 2000, however after multiple changes to the project no further feasibility studies were undertaken to account for them.	**Closed and Verified**
Follow up Testing		

Project Name	Follow Up Opinion	Original Opinion	Original Number of Issues /Exceptions	Critical Risk	High Risk	Medium Risk	Low Risk	Follow Up Planned
A log of all projects are reported to the newly created CMT Programme Board. If a project has not significantly moved in over a year, the board will be responsible for requesting the original business case is reviewed. The Project Lifecycle also includes a requirement to revisit business cases at major steps/decisions within each project, depending on the size and cost.								
High	The second high risk related to a there being no internal minutes or documents to evidence the decision taken to procure 3 different contractors for the 3 distinct stages of the project. Furthermore, this decision resulted in delays and complexities with the project.							*Closed and Verified*
Follow up Testing								
Decision making logs are part of the required documentation as part of the agreed Project Lifecycle guidance documentation. The management of documentation will be the responsibility of the Project Manager.								
High	The third high risk related to the significant timeframe of the project causing lost knowledge and loss of documentation, in addition, it is unclear if financial feasibility studies (other than one re fundraising targets) were conducted.							*Closed and Verified*
Follow up Testing								
The Project Governance documentation notes that The Actions, Decisions & Lessons log is a required document for all projects, making it clear what decisions have been made, when they were made and any actions resulting from them.								
High	The fourth high risk relates to the project having significant increases in the budget from £13.5m to approximately £30m prior to completion. While all the increases have sought and acquired full council approval, the increased spend had a negative effect on the council's reserves.							*Closed and Verified*
Follow up Testing								
Gateway reviews form part of the agreed Project Management Lifecycle, evidenced as part of the follow up.								
High	The five high risk relates to the project being investigated by the Contract Administrator, depending on the decision, SCC may be liable for increase contract sums.							*In Progress*
Follow up Testing								
In conclusion, the new project management processes have been actioned with implementation across the organisation due in October 2018.								

Audits in Progress

|	Project Name	Hub	Project Status	Delays	Projected Reporting Date	Revised Reporting Date	Comments
1.	Care Leavers	Operational (SD Children and Families)	Work in Progress	Yes (See Comments)	November 2018	TBC	This item of work is on hold pending implementation of the Council's internal action plan, following the recent Ofsted inspection.
2.	Family Matters Grant	Operational (SD Children and Families)	Work in Progress	None	April 2019	April 2019	This is a claim verification, which is required on a quarterly basis. Therefore this will remain 'work in progress' until the end of year.
3.	Social Media Surveillance Follow Up	Strategic (SD Legal & Governance)	Work in Progress				
4.	Solicitors Fees and Court Costs	Strategic (SD Legal & Governance)	Work in Progress				
5.	Tower Blocks	Operational (SD Growth)	Work in Progress				
6.	Child Sexual Exploitation & Missing Persons	Operational (SD Children and Families)	Work in Progress				
7.	Leaseholder Charges	Operational (SD Adults Housing & Communities)	Work in Progress				
8.	Learning and Development	Strategy (SD HR & Organisational Development)	Work in Progress				
9.	Health and Safety Follow Up	Strategy (SD HR & Organisational Development)	Work in Progress				

	Project Name	Hub	Project Status	Delays	Projected Reporting Date	Revised Reporting Date	Comments
10.	Strategic Contract Management Follow Up	Operational (SD Digital & Business Operations)	Work in Progress				
11.	Procurement Follow Up	Operational (SD Digital & Business Operations)	Work in Progress				
12.	Leisure Contract	Operational (SD Digital & Business Operations)	Work in Progress				
13.	Mobile Devices	Operational (SD Digital & Business Operations)	Work in Progress				
14.	Back up and DR	Operational (SD Digital & Business Operations)	Work in Progress				
15.	Stock Condition	Operational (SD Growth)	Work in Progress				
16.	Community Infrastructure Levy	Operational (SD Growth)	Work in Progress				
17.	Water Quality	Operational (SD Growth)	Work in Progress				
18.	CCTV	Operational (SD Growth)	Work in Progress				
19.	Appointeeship	Operational (SD Adults Housing & Communities)	Work in Progress				
20.	British Gas Contract Follow Up	Operational (SD Adults Housing & Communities)	Work in Progress				
21.	Direct Payments	Operational (SD Adults Housing & Communities)	Work in Progress				

|	Project Name	Hub	Project Status	Delays	Projected Reporting Date	Revised Reporting Date	Comments
22.	Children's Safeguarding	Operational (SD Children and Families)	Work in Progress				
23.	SEND Out of City Placements	Operational (SD Children and Families)	Work in Progress				
24.	Home to School Transport	Operational (SD Children and Families)	Work in Progress				
25.	Tranman	Operational (SD Transactional & Universal)	Work in Progress				
26.	Accounts Receivable	Strategy (SD Finance & Commercialisation)	Work in Progress				
27.	Treasury Management	Strategy (SD Finance & Commercialisation)	Work in Progress				
28.	Petty Cash	Strategy (SD Finance & Commercialisation)	Work in Progress				
29.	Income Collection	Strategy (SD Finance & Commercialisation)	Work in Progress				
30.	GDPR Public Health	Strategy (SD Public Health)	Work in Progress				
31.	Sexual Health Contract	Strategy (SD Public Health)	Work in Progress				

Exception Analysis to date
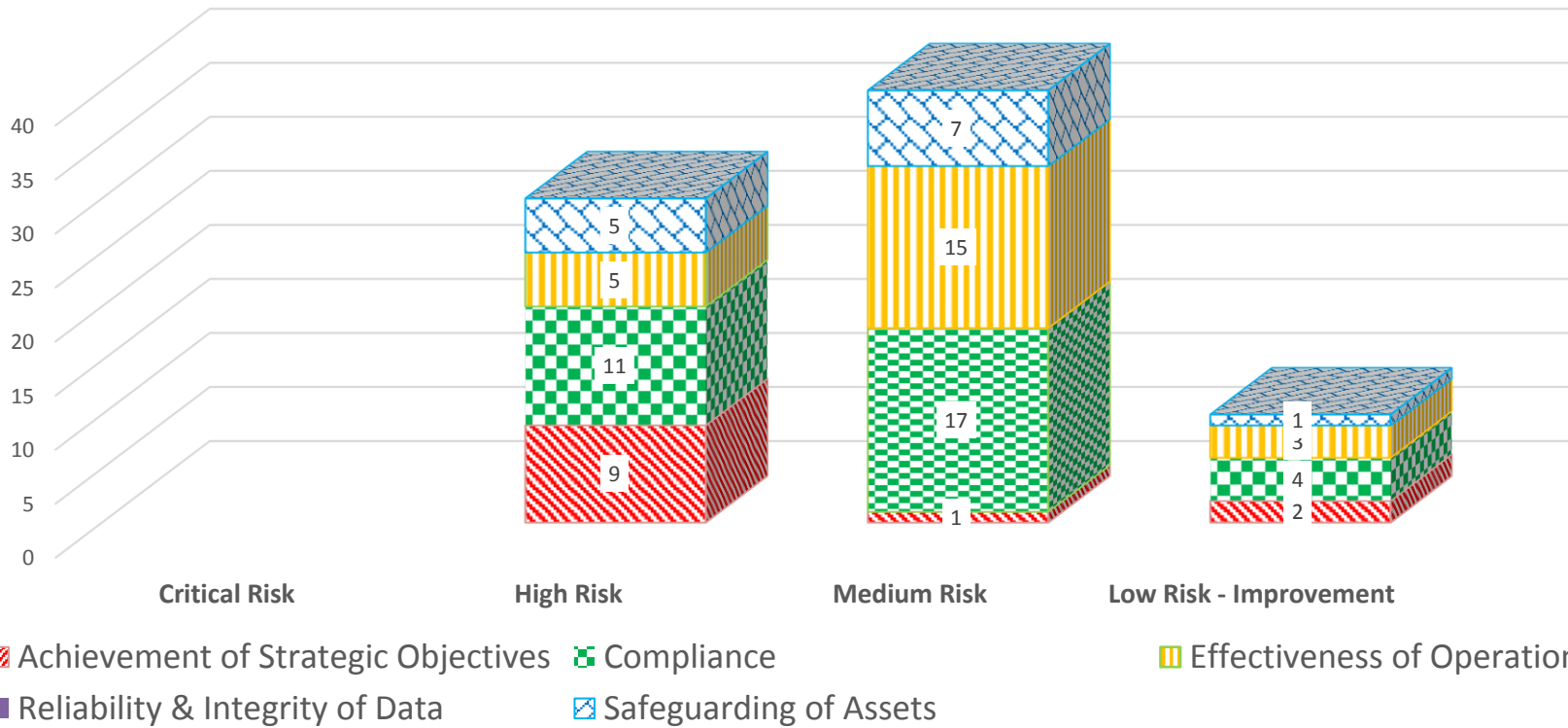
	Achievement of Strategic Objectives	Compliance	Effectiveness of Operations	Reliability & Integrity	Safeguarding of Assets	Total
Critical Risk						0
High Risk	9	11	5		5	30
Medium Risk	1	17	15		7	40
Low Risk - Improvement	2	4	3		1	10
Grand Total	12	32	23	0	13	80

Follow Up Analysis
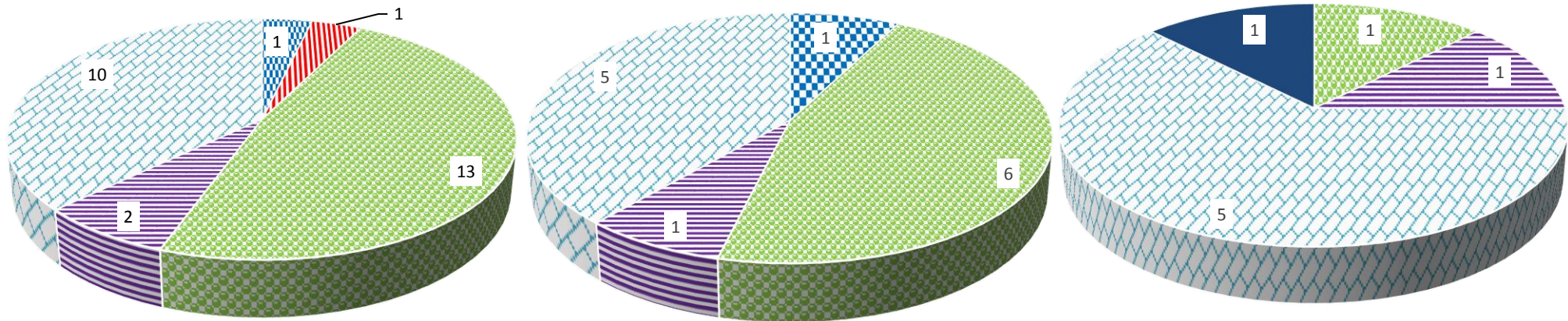
High Risks   Medium Risks   Low Risks

⊞ Open   ‖‖‖ Pending

⊞ In Progress   ≡ Implemented but not effective

⊠ Closed – Verified   ■ Closed – Management Accepts Risk

	Open	Pending	In Progress	Implemented but not effective	Closed – Verified	Closed – Not Verified	Closed – Management Accepts Risk	Closed – No Longer Applicable
Critical Risk								
High Risk	1	1	13	2	10			
Medium Risk	1		6	1	5			
Low Risk			1	1	5		1	
Grand Total	2	1	20	4	20		1	

The Internal Audit Service follows up all audits where at least 1 high risk exception has been raised. These audits are followed up in the next financial year to allow for agreed actions to be sufficiently implemented. Any critical risk exceptions are followed up within 3 months due to the potential severity of the risks identified. The overall position of the exceptions followed up currently through 2018/19 shows that 42% have been closed and verified by audit, however 58% remain open and or are in progress.