

Report of the Director of Finance to the meeting of the Governance and Audit Committee to be held on 21 November 2014.

Subject:

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INTERNAL AUDIT PLAN 2014/15– MONITORING REPORT AS AT 30 SEPTEMBER 2014

Summary statement:

This report monitors the progress made by Internal Audit against the Internal Audit Plan for 2014/15 as at 30 September 2014.

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Director of Finance

Portfolio

**Leader of Council and Strategic
Regeneration**

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Improvement Area:

Corporate

SUMMARY

- 1.1 The purpose of this report is to bring to the attention of members of the Governance and Audit Committee (G&AC) any significant issues arising from the audit work undertaken to date and to inform them about the progress made up to 30 September 2014, against the Internal Audit Plan, which was approved by the Committee on 4 April 2014.

2. BACKGROUND

- 2.1 Internal Audit is part of Financial Services within the Department of Finance. This is the half year monitoring report on the Internal Audit Plan for 2014/15. This is detailed in Appendix 1. The overall Audit Opinion is that from the audit work performed to date, Internal Audit concludes that the Council's overall control framework is satisfactory.

- 2.2 The report enables the Council to demonstrate compliance with the Public Sector Internal Audit Standards (PSIAS). These require the Head of Internal Audit & Insurance to report periodically to the Governance and Audit Committee on Internal Audit's activity, purpose, authority, responsibility and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested either by senior management or the Governance and Audit Committee.

The PSIAS also require the Head of Internal Audit & Insurance to communicate the Internal Audit activity's plans and resource requirements, including significant interim changes, to the Governance and Audit Committee, including any impact of resource limitations.

- 2.3 Due to pressures on resources and the need to maintain a sustainable service, the Internal Audit sections of Bradford and Wakefield have been looking to deliver efficiencies through joint working. From 1st September 2014 Wakefield and Bradford Councils have shared a Head of Internal Audit. This has been undertaken through a Service Level Agreement which also requires a business case by the 31st December 2015 to determine future service arrangements. Additional joint work has included putting in a joint corporate fraud funding bid and an analysis of social care audits. A joint training day is also taking place at the end of November 2014 with the teams from both Bradford and Wakefield participating.

3. OVERVIEW AND SCRUTINY COMMITTEE CONSIDERATION

- 3.1 Not Applicable.

4. OTHER CONSIDERATIONS

- 4.1 There are no other considerations.

5. OPTIONS

- 5.1 Not applicable

6. FINANCIAL AND RESOURCE APPRAISAL

6.1 The work of Internal Audit adds value to the Council by providing management with an assessment on the effectiveness of internal control systems, making, where appropriate, recommendations that if implemented will reduce risk and deal with financial uncertainty.

7. RISK MANAGEMENT

7.1 The work undertaken by Internal Audit is primarily concerned with examining risks within various systems of the Council and making recommendations to mitigate those risks. Consideration was given to the corporate risk register when the Audit Plan for 2014/15 was drawn up and any issues on the risk register that relate to an individual audit are included within the scope.

7.2 The key risks examined in our audits are discussed with management at the start of the audit and the implementation of recommendations is followed up with Strategic Directors.

8. LEGAL APPRAISAL

8.1 The Accounts and Audit Regulations for 2003 require the Council to maintain an adequate and effective system of internal audit in accordance with proper internal audit practices. These are now detailed in the Public Sector Internal Audit Standards supported by CIPFA's Local Government Application Note.

9. OTHER IMPLICATIONS

9.1 Equal Rights

There are no direct equal rights implications arising from this report.

9.2 Sustainability implications

None.

9.3 Greenhouse Gas Emissions Impacts

There are no impacts on Gas Emissions.

9.4 Community safety implications

There are no direct community safety implications.

9.5 Human Rights Act

There are no direct Human Rights Act implications.

9.6 Trade Union

The Trade Unions have been informed of the discussions held on joint working and will be kept up to date with developments.

9.7 Ward Implications

None

10. NOT FOR PUBLICATION DOCUMENTS

10.1 None.

11. RECOMMENDATIONS

That the Governance and Audit Committee:

11.1 Takes assurance from the results to date that show that the control environment of the authority is overall satisfactory.

11.2 Endorse the anticipated coverage and changes of Internal Audit work during the year.

11.3 Requires Internal Audit to monitor the control environment and continues to assess areas of control weakness and the ability of management to deliver improvements to the control environment when required.

11.4 Requires Internal Audit to monitor its resourcing levels to ensure that they are sufficient and appropriate to support an effective Internal Audit function.

12. APPENDICES

Appendix 1 – Internal Audit Plan for 2014/15 – Monitoring Report as at 30th September 2014.

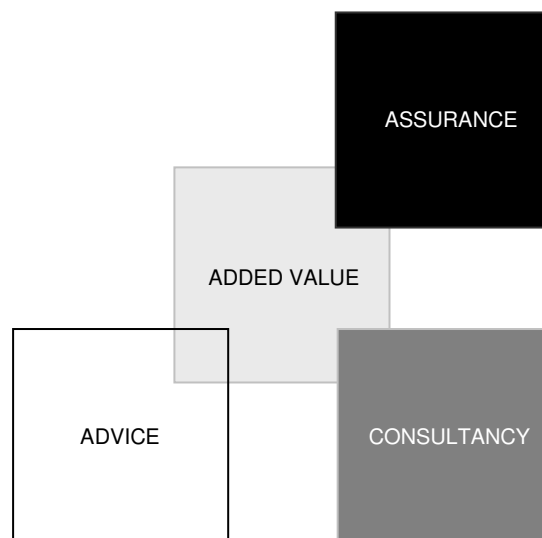
13. BACKGROUND DOCUMENTS

13.1 G&AC report dated 4 April 2014 – Internal Audit Plan 2014/15.

INTERNAL AUDIT PLAN 2014/15

MONITORING REPORT

AS AT 30.09.14.



DEPARTMENT OF FINANCE

1 INTRODUCTION

The Internal Audit Annual Plan for 2014/15 was approved by the Governance and Audit Committee (G&AC) at its meeting on 4 April 2014. This report is the half year monitoring report for this financial year. It identifies the progress made against the Internal Audit Plan up until 30 September 2014 and identifies any significant audit issues arising.

2 RESOURCES

2.1 Reduction in Audit Resources

The Internal Audit Plan for 2014/15 has 7.23% less capacity than in 2013/14 (2567 days v 2767 days) and 25.57% less than in 2012/13 (3449 days). This reduction has required the Service in conjunction with the s151 officer to consider and prioritise the use of these resources. The main core delivery of Internal Audit in 2014/15 was planned to be the provision of assurance on the Council's fundamental financial systems.

During the first half of the financial year one Senior Auditor transferred to the Strategic Finance Team and it was also agreed that another Senior Auditor would provide support to the Team to cover for a Senior Finance Officer who was to go on secondment to the School Funding Team.

Further, in September the Council entered into a Service Level Agreement (SLA) with Wakefield Council, for Bradford to provide its Head of Internal Audit and Insurance to manage Wakefield's Internal Audit & Risk Service. The Service Level Agreement also required a Business Plan to be prepared for December 2015 to determine an option appraisal for future service delivery.

The combined effect of these in year changes is that the Service is now expected, to have 2376 days for 2014/15, a reduction of 191 days on those planned. This assumes that no further staffing changes will occur in the second half of the year that further reduces the capacity of the function or its service delivery capabilities.

3 SERVICE DELIVERY

3.1 Audit Coverage

As at 30 September 2014, 41% of the 2014/15 audit plan has been completed compared to last year when 43% of the 2013/14 audit plan had been completed by this time.

Internal Audit faces a challenge in the second half of 2014/15 to deliver the audit plan. This challenge is due to the in year reduction in resources, the need to perform additional unplanned audit work and for several audits taking more time to complete than was anticipated. In response, Internal Audit has significantly revised and reprioritised the audit plan (see section 3.7), with the net effect of the proposed changes being that the section will focus more on significant systems work and less on assurance work.

Currently it is forecast that 80 to 85% of the audit plan will be delivered by the end of the financial year which is below the normal target of 90%.

3.2 Reports Issued and Control Environment

All Internal Audit assignments result in an Audit Report which identifies the audit coverage, findings from the audit, risks arising from identified control weaknesses and prioritised audit recommendations. Table One below shows that as at 30 September 2014 a total of 77 reports have been issued, which compares with 76 at this time last year.

However this position is distorted by the Services need to certify the PE and Sports Grant which accounted for 16 additional reports. If these were discounted the 2014/15 actual figure would be 51 reports completed. Internal Audit has had to focus its first half year efforts on further grant and certification work, which has meant that it has not made the same level of progress on significant systems audits as it did last year.

The work has identified that 73% of controls examined were operating satisfactorily. All concerns arising from the audit assignments result in an audit recommendation. To date 98% of all audit recommendations have been accepted by management. This is consistent with the 2013/14 outcome.

Table One: Reports issued in 2014/15 analysed by Audit type

Audit Type	Number of Reports in 2014/15 @ 30.09.14	Number of Reports in 2013/14 @ 30.09.13
Fundamental Financial Systems	18	18
Significant systems	3	28
Other systems / Corporate Governance	0	0
VFM	0	0
Computer Audit	4	2
Information Governance	2	0
Grants & Certification Audits	24	0
Contract Audit	0	2
Follow Up Audits	3	4
Schools	18	14
Investigations, Irregularities, Fraud Prevention and Detection	0	1
West Yorkshire Pension Fund	5	5
Probity	0	2
TOTAL	77	76

3.3 Major Findings

3.3.1 The following table details the opinions from those audits over the last two years where an appraisal of the overall system could be obtained. As can be seen the level

of reports assessed as either good or excellent opinions are largely increasing over time and account for approximately half of the opinions reached.

Other trends are reports classified as adequate, limited assurance and no assurance are decreasing. The proportion of reports issued without an opinion being expressed is increasing and represents approximately 34% of all reports issued over this period.

Table Two: Six Monthly Analysis of Audit Opinions raised in Internal Audit Reports issued in the Period 1 October 2012 to 30 September 2014

	1 Oct 2012 and 31 March 2013		1 April 2013 and 30 Sept 2013		1 Oct 2013 and 31 March 2014		1 April 2014 and 30 Sept 2014	
Opinions	Total	Proportion	Total	Proportion	Total	Proportion	Total	Proportion
Excellent	9	15%	5	10%	12	22%	12	25%
Good	18	29%	19	37%	15	27%	17	35%
Adequate	19	31%	15	29%	15	27%	10	21%
Limited Assurance	11	18%	11	22%	11	20%	8	17%
No Assurance	4	7%	1	2%	2	4%	1	2%
Total Relevant Reports	61		51		55		48	
Not applicable**	27		25		28		29	
Total Reports	88		76		83		77	

** Internal Audit gives an opinion on the control environment whenever it is appropriate to do so. However, audit reports that provide advice, review specific control concerns raised or investigate irregularities generally do not have an opinion as they are too limited in scope.

Areas of specific concern which the Governance and Audit Committee needs to be aware of are detailed below. It should be noted that the work of the last six months did not highlight any fresh significant concerns. However a number of ongoing issues that the Governance and Audit Committee are already aware of appear to be intractable as to their resolution.

3.3.2 Three follow up audits completed in the first half of this year have already been reported to the committee in the 2013/14 Internal Audit Annual Report. These related to Utilities, Miscellaneous Rents and Continuing Health Care. An update on the position is included below. Further work has also been completed on Section 117 Mental Health Aftercare Arrangements. Positions on all these audits will continue to be reviewed over the next six months.

3.3.3 Utilities

Improved reconciliations between the Utilities and asset management system were required, as was stronger automated validation of utility bills and the forecasting of the Utilities budget for 2015/16

3.3.4 Miscellaneous Rents.

Audit found in particular that the testing and implementation of the technical system changes, which were necessary to address some of the problems identified in the original audit report, were still outstanding.

Internal Audit are in regular dialogue with the service and a further follow up audit will be performed in 2014/15 on receipt of assurance from the Assistant Director that all recommendations have been fully implemented. Internal Audit are providing support by offering to review any action planning processes that the service wishes to implement in the interim period.

3.3.4 Continuing Healthcare (CHC)

Internal Audit initially issued a report on CHC in September 2012 which included ten high priority recommendations and resulted in an audit opinion of no assurance. In July 2014 a follow up audit report was issued which identified that, whilst some progress has been made in implementing the previously agreed recommendations, further action was still required for the full implementation of all the recommendations. The audit opinion remains at no assurance.

The key issue remains the failure of the Council and the CCGs to formalise an agreement setting out each organisations' responsibilities for CHC particularly in relation to pooling budgets and determining how costs will be shared. Whilst attempts have been made by management within Adult and Community Services to engage in the process of establishing an agreement there appears to be reluctance on behalf of the NHS to progress the matter.

3.3.5 S117 Mental Health Aftercare.

S117 was reviewed in October 2014 which identified some progress. The key issue regarding s117 mental health aftercare mirrors the issue for CHC.

There are now some informal cost sharing arrangements in place whereby a small number of clients are being jointly funded by Health and the Council. However, the risk remains that without a formal cost sharing agreement the Council is left paying for the majority of s117 clients.

Further progress has been made in compiling an accurate register of s117 clients in the district which will facilitate discussions over cost sharing in the future.

3.4 Follow Up Audits

3.4.1 It is essential for good corporate governance, that management have effective arrangements for implementing agreed improvements or correcting deficiencies in their financial operations.

Internal Audit currently follows up its audit work in two ways – Annual follow up returns from Strategic Directors and performing individual follow up audits. The purpose of this section is to report the progress that Strategic Directors have confirmed as being made in implementing previously agreed Internal Audit recommendations and also to inform G&AC of the outcome of the Internal Audit follow up audits undertaken in the period 01.04.14 to 31.10.14.

3.4.2 Annual Returns From Strategic Directors

Table Three summarises the overall performance and provides a comparison with the 2013-14 performance. In total 121 reports containing 383 High Priority

recommendations were followed up with Strategic Directors. The Strategic Directors' returns indicate that there has been a fall in the level of implementation with 71% of reports and 80% of recommendations being fully actioned compared with 82% of reports and 87% of recommendations in 2013-14. These levels of implementation reflect reports and recommendations which have been fully completed. If progress is extended to include partial completion, as shown on the Covalent system (used to monitor the recommendations) then total progress of implementation of recommendations rises to 90%. This would suggest that departments are still implementing the agreed recommendations but that it is taking longer to complete than in previous years. The 35 reports still outstanding will be monitored until an adequate response has been received.

Table Three: Strategic Directors' Reported Rate of Implementation of Agreed Recommendations for Reports issued up to 31.03.14

	2014-15 Exercise		2013-14 Exercise	
	No. of Reports	No. of HP Recs	No. of Reports	No. of HP Recs
TOTAL number of audit reports and recommendations followed up	121	383	97	273
LESS Reports and recommendations confirmed as actioned by Strategic Directors	86	307	80	238
Audit reports and recommendations that remain outstanding as at 30.09.14	35	76	17	35

3.4.3 Individual Follow Up Audits Undertaken by Internal Audit

Following receipt of the Strategic Directors' returns Internal Audit subsequently performed 11 on site follow up audits, across all departments during October and November. Four of the follow up audits had been preselected due to the significance or number of high priority concerns they contained and formed part of the original Internal Audit Plan. The remainder were selected to give a cross representation across the authority from those showing as fully implemented on the Director's Returns. The purpose of all the follow up audits was to independently validate the reported implementation of agreed recommendations which is shown in Appendix A.

In summary, 72% of the agreed High Priority recommendations within the 11 audit reports followed up have been fully implemented, which is less than the expected 85% implementation that was reported in the Strategic Directors' returns. This discrepancy is a concern, as is the 28% of the High Priority recommendations that were found to be either partially implemented or not implemented, which left the fundamental control weakness unaddressed.

This discrepancy may in part be explained by departments appearing not to fully understand the underlying control issues in order to implement the recommendations effectively. Management, however, should be seeking a clear understanding of

control issues identified by Internal Audit at the post audit meetings held after each audit before they agree to implement recommendations. Internal Audit will continue to reiterate the importance of this. Recommendations, however, may still be outstanding as management have not focussed enough attention on the correction, resulting in the control weakness not being permanently addressed.

3.5 Summary of Audit Reports and Findings

A summary of the routine audits undertaken and the recommendations identified is reported in Appendix B.

3.6 Overall Opinion

From the audit work performed to date Internal Audit concludes that the Council's overall control framework is satisfactory.

3.7 Existing and Planned Changes to Internal Audit Coverage in 2014/15

During the year the audit plan is subject to revision in light of requests for, or the need to do additional unplanned audit work and also to reflect any in year changes in available resources. Action is taken as appropriate to ensure that audit resources are efficiently and effectively deployed. The 2014/15 audit plan has been significantly revised. Appendix C indicates those audits added to the plan and those that have been replaced. Those audits replaced will be considered when establishing the 2015/16 audit plan, but in a number of cases it is anticipated that there will no longer be a need for the audit work in 2015/16.

In determining these plan changes Internal Audit has considered a number of relevant factors including risk and impact of control failure, external funding requirements, prior audit assurance, maturity of the control environment, appropriate timing for the review, Corporate and Directors' priorities.

It is proposed that the section focuses on Significant Systems work in the second half of the financial year as progress was slow on these areas of work. There will be less attention to assurance work as this does not usually identify any substantial control weaknesses. In addition as significant system work takes longer to prepare and complete this reduces the ability of the service to reach its 90% audit plan completion target.

The significant systems to be covered in the second half of the year include the following.

Risk Management

Personalisation

Adults Partnership Agreements

Performance Management New Ways of Working

Emergency Planning

Waste Management - Charging for bulk waste and bins

Taxi Licenses

Transport & Highways

Care Trust Contract

Individual Service Funds

Youth Services transfer to Neighbourhoods
Adults Resource Allocation System (RAS) recalibration
Education Welfare Services - Fines for Unauthorised Absences from School
Special Educational Needs Data Flows

3.8 Internal Audit's Performance Indicators

Client Feedback

After each audit a client feedback questionnaire is issued to the appropriate officer to obtain feedback from them about the audit. 100% of the officers that responded said that the audit recommendations made were useful, realistic and overall the audit was of benefit to management.

Timeliness of Audits

During the first 6 months, 89% of draft reports were issued within 3 weeks of finishing the site work, this exceeds the target of 80%. All final reports were issued within a week of the post audit meeting, exceeding that target of 90%. The timeliness of issuing draft and final reports is crucial to providing a good service to officers, enabling them to deal with the issues raised and consider the recommendation made.

Appendix A Follow Up Audits Performed 1.4.14. to 31.10.14

Appendix B Summary of Audit Reports and Findings

Appendix C Unplanned Audit Work Included in or Deleted from the Revised 2014/15 Internal Audit Plan as at 31.10.14

Follow Up Audits Performed October 2014

Department	Audit Report Title	Number of High Priority Rec'ns	Number Confirmed Implemented in Director's Return	Outcome From Follow Up Audits		
				Rec'ns Fully Implemented	Rec'n's Partially Implemented but still High Priority	Rec'ns Not Implemented
Adults	S117 Mental Health	7	2	4	3	0
	Total	7	2	4	3	0
Chief Executive	New Pensions and Lump Sum Payments - Ill Health Retirements	1	1	0	0	1
	Total	1	1	0	0	1
Childrens Services	Academies Land & Buildings	4	4	2	1	1
	Ley Top Primary School **	11	11	8	0**	2
	Concerns Relating to Compliance with the Council's Procure to Pay Process	1	1	0	1	0
	Total	16	16	10	2**	3
Environment & Sport	Management Monitoring of Car Parking Income	3	3	3	0	0
	Concerns Relating to Compliance with the Council's Procure to Pay Process	1	1	1	0	0
	Total	4	4	4	0	0
Finance	Agency Staff	4	4	4	0	0
	Total	4	4	4	0	0
Human Resources	Concerns relating to authorisation of payroll documentation	1	1	0	1	0
	Total	1	1	0	1	0

Legal	Concerns Relating to Leaver Management of Councillor Email	3	3	3	0	0
	Total	3	3	3	0	0
Regeneration & Culture	Canal Road Joint Venture –Follow Up	3	3	3	0	0
	Total	3	3	3	0	0
	Overall Total	39	34	28	6	4
	% of Total High Priority Rec'ns	100	87	72	15**	10

** The audit follow up of Ley Top Primary identified that there was one high priority recommendation that was partially implemented, which resulted in a new requires attention recommendation that is excluded from the above table. When this is taken into account, 18% of the high priority recommendations are partially implemented.

In total 28% of the high priority recommendations were found to be either partially implemented or not implemented.

Summary of Audit Reports and Findings**1 Fundamental Systems.**

- 1.1 The majority of the fundamental systems work occurs in the second half of the financial year, however up to September 2014 the following work was completed. Assurance work on Council Tax, Accounts Receivable, and NNDR and Community Care Payments were all assessed as good. Reviews of Council Tax, Liability and Billing were assessed as excellent.
- 1.2 Payroll work on other deductions and car mileage claims was satisfactory. Improvements have again been recommended regarding the authorisation and retention of payroll starter documentation.
- 1.3 Review of the bank account reconciliation and unallocated cash processes were assessed as good.

2. Significant Systems

- 2.1 The audit of Pavilion Gardens' compensation payments, which were made due to the installation of inefficient boilers that lead to exceptionally high energy bills, identified that some incorrect payments had been made and that the responsible contractor had not agreed to fully reimburse the Council.
- 2.2 Review of Building Maintenance, Commissioning and Delivery processes identified concerns regarding a proportion of operational properties not being included in the cyclical building condition surveys, some health & safety inspections not being undertaken on time, and the budget monitoring data used not being reconciled to SAP.
- 2.3 Following a request by the Chief Executive, an audit was undertaken on sickness monitoring to determine the extent to which managers were complying with the Council's Managing Attendance Framework. Four departments were examined as part of the review, namely; Adult and Community Services, Environment and Sport, Regeneration and Culture and Children's Services. It was found that there were good practices involved in the managing of sickness but that there were also a number of concerns that needed to be addressed.

There were varying degrees to which managers understood and complied with the sickness procedures. Where there was a failure to comply with the procedures this was largely as a result of managers being unaware of the correct procedure rather than an attempt to circumvent the process.

Amongst the key issues raised within the report were:

- Additional targets being set at each stage of the short term sickness process rather than progressing through the scheme as designed;
- A lack of training on sickness procedures;
- The need to promote the role of the Departmental Attendance Champion (DAC);

- A failure to target those employees that were forming the bulk of sickness within the Authority;
- The Catering and Cleaning services operating outside the Council short term sickness procedure through not setting short term targets for informal monitoring and formal monitoring not being completed by the line manager; and
- Delays in obtaining an appointment with Employee Health & Wellbeing.

3. Schools

3.1 School Audits

During the first six months of the year 18 reports relating to schools were issued. Of these, four related to individual schools and the remainder to themed audits. Themed audits included a review of online banking at schools and ensuring accuracy of pupil census data. Both Audits found the overall control environment to be good, the latter providing assurance that maintained schools across the district are correctly funded.

3.2 Schools Financial Value Standard

At the 2013/14 year end all maintained schools were required to complete a self assessment against the Department for Education's Schools Financial Value Standard (SFVS). As at 31 March 2014 self assessments had been completed by 153 of the authority's 176 schools. Of those not completing the return seven were exempted (four because an Academy order was in place, two because the Governing Body was suspended and one as the school had opened that year) and sixteen schools submitted returns after the 31st March. 48% of schools gave a 'Yes' response to all questions indicating that they fully comply with the standard; the remaining schools produced action plans to address areas of non-compliance.

Overall the returns received for 2014 showed an improvement in the standard of completion and the level of compliance with individual questions and the SFVS overall. The majority of returns showed clear evidence of review by the Governing Body and were updates on the 2013 returns. There were, however, a minority of schools who submitted identical returns in 2014 to those in 2013. Of most concern was that almost a quarter of schools identifying required action in 2013 had made no progress against their action plans in 2013/14.

In the next six months audits will be undertaken to confirm the adequacy and accuracy of a sample of SFVS assessments and the effectiveness of implementation of action plans. This will assist in determining the level of financial assurance that can be taken from these returns in future.

4. Grants

The audit plan for 2014/15 has seen a significant increase in grant certification work. To date 24 reports have been produced relating to 12 capital and revenue grants which required Internal Audit certification to confirm that the grant conditions had been complied with.

This increase in certification work is mainly due to the government increasing its targeting of funding to local authorities, for example funding for road repairs following the damage caused by the harsh winter.

The values of the grants varied considerably and conditions also varied and included confirming that targets had been met, that funds had been appropriately spent and that other requirements, such as publication of how the grant had been used, had been complied with.

More reports on grants have been produced largely as a result of the PE & Sports Grant certification as this involved reviewing a sample of schools each of which received their own report. However this has also allowed us to provide advice on best practice for all schools.

Overall Internal Audit has been able to give a positive opinion for all grants and consequently no funding has been lost.

5 Computer Audit

Internal Audit was asked by management to review the security of payroll and HR data at the Council. It was considered that the current arrangements minimise the risk of unauthorised and malicious disclosure of information but could be improved. Several recommendations were made all of which were accepted by management. New procedures for managers to report Organisational Management Changes to HR were also examined.

Progress on the Application Rationalisation programme was reviewed and Internal Audit can now report that the Council has a baseline position with regard to application provision and support which will allow it to proactively manage the data information stores in a more efficient and effective way.

The implementation phase of the new Theatres box office booking and customer management system was examined and a follow-up audit was performed on ICT leaver procedures for Councillors.

6. West Yorkshire Pension Fund (WYPF)

During 2014/15 Internal Audit has carried out a variety of audits in the West Yorkshire Pension Fund (WYPF). Reports issued to the 30 September 2014 include:-

- **Review of WYPF 2014/15 Accounts.** This audit is carried out at the request of the Financial Controller to assist in producing accurate, easy to read information within the financial accounts.
- **UK Equities.** Due to the value of UK Equities held by WYPF (31/03/14 £3.67bn), this audit has been carried out every two years. The standard of control within the system was found to be good, with only one action being suggested to improve the controls.
- **Stock Lending.** The UK stock lending process has now been amalgamated with the foreign stock lending process and comes under HSBC. This audit examined the controls on this process under the WYPF, the standard of control was found to be excellent with no issues to report.

- **Access to West Yorkshire Pension Fund Data.** This audit examined the data security arrangements of the WYPF, the standard of control was found to be satisfactory, the audit raised a number of issues to increase assurance provided by these arrangements.

Appendix C

Unplanned Audit Work Included in and Planned Audit Work Deleted from the Revised 2014/15 Internal Audit Plan as at 31.10.14

Additional unplanned audit work done / propose doing in 2014/15	Planned audit work proposed not doing in 2014/15	Reason
Effectiveness of Debt Recovery	Review of processes to detect HB/CTR error	Deferred as assurances obtained from External Audit and 13/14 audit
Individual Service Plans	Carlton Bolling College	Already under Council review
Youth Services transfer to Neighbourhoods	Fulfilling Lives Better Start	Little transactional activity expected in 14/15
Miscellaneous Rents 2nd Follow Up	Information Assurance Contingency	Contingency
Register of Births, Deaths and Marriages Spoiled Certificates	Information Governance - Building Security workshops	Workshops now ceased
Wakefield HIA duties	FOI / DP Timescale Compliance	Relatively low priority
Adults Resource Allocation System (RAS) Recalibration	Windows/MS Office rollout	No audit required as Financial Services piloting rollout
Wycliffe Primary School	Benefits overpayments	Satisfactory opinion in 9/1/12 and the 1 HP Rec was confirmed as implemented in 5/10/12 Follow up
Education Welfare Services - Fines for Unauthorised Absences from School	Assessment and issue of Transport Concessions	Immaterial expenditure
Bus Operators Grant	Capital Annual Assurance 14/15	Remove audit as Mazars cover majority of controls in their Statement of Accounts work
Special Education Needs Data Flows	Capital accounting	Covered by Mazars as part of Statement of Accounts work
Troubled Families 2015 Framework	Asset Disposals	Processes subject to a lot of Internal Audit scrutiny in 13/14
Housing Capital Financial Support	PWLB Assurance 2014/15	No new loan activity has taken place in the last few years nor in this financial year
	Procurement processing	Defer as scope not defined
	WYPF Year End Return Certification	Certification is no longer required
	Payroll - Assurance 14/15	Defer to 15/16 or remove altogether as good audit opinion reported in 13/14 audit issued 11/8/14
	Starters and Leavers schools	Satisfactory opinion in last audit 1/6/12, with no HP recs
	SEN/AP Funding	No longer required

Monitoring self assessment key controls	No longer required
Purchased Care, Residential and Non-Residential care	Other key areas in Adults to take priority
Corporate Governance - Compliance with Key Decision Making	Relatively low priority and risk
Receiving, opening and accepting tenders	Relatively low priority and risk
Civil Enforcement Parking	Some duplication as already performing a follow up audit of Car Parking Management of Income
Land Charges	Relatively low priority and risk
Advanced Skills Fund	Removal not priority
Sustainable Temporary Accommodation	Removal not priority
Build to Rent	Removal not priority
Social Lettings Agency	Removal not priority
Beech Grove Allotments	Removal not priority
s106 and Community Infrastructure Levy	Defer as management still resolving previously reported audit issues
Taxi Procurement	Defer due to new system being implemented
Continuing Healthcare - Follow Up (14/15)	Defer as previous audit report issued 7 July 14
Discretionary Fees and Charges (Premises Rents) - Follow up	Input in plan in error, prior report reported satisfactory opinion
Museum Collections – Safeguarding, Loans and Insurance Follow Up	Input in plan in error, follow up not required
Great Places to Grow Old	No longer required in 14-15 due to programme delays
Strategic Support	The service has not identified an area to audit
Transactional Support Centre	Defer as it is subject to organisational change