

Report of the Director of Finance to the meeting of the Governance and Audit Committee to be held on 27 November 2015.

AD

Subject:

INTERNAL AUDIT PLAN 2015/16 – MONITORING REPORT AS AT 30 SEPTEMBER 2015

Summary statement:

This report monitors the progress made by Internal Audit against the Internal Audit Plan for 2015/16 as at 30 September 2015.

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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 2015, against the Internal Audit Plan, which was approved by the Committee on 24 July 2015.

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 2015/16. 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.

Bradford will also be buying in computer audit service days from Wakefield in 2015/16, as its Computer Auditor retired in March 2015. Opportunities to increase joint working in the future are actively being explored by both audit teams and a joint training day is also taking place in December 2015.

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 2015/16 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 2015 require the Council to 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. These standards are detailed in the Public Sector Internal Audit Standards supported by CIPFA's Local Government Application Note.

9. OTHER IMPLICATIONS

9.1 Equal Rights

Internal Audit seeks assurance that the Council fulfils its responsibilities in accordance with its statutory responsibilities and its own internal guidelines. When carrying out its work Internal Audit reviews the delivery of services to ensure that they are provided in accordance with the formal decision making process of the Council.

9.2 Sustainability Implications

When reviewing Council Business Internal Audit examines the sustainability of the activity and ensures that mechanisms are in place so that services are provided within the resources available

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**

There are no implications for the Trade Unions arising from the report.

9.7 **Ward Implications**

Internal Audit will undertake specific audits through the year which will ensure that the decisions of council are properly carried out.

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 2015/16 – Monitoring Report as at 30th September 2015.

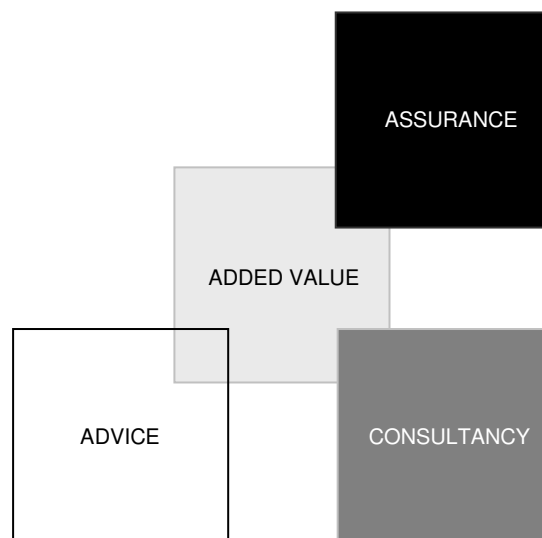
13. **BACKGROUND DOCUMENTS**

13.1 G&AC report dated 24 July 2015 – Internal Audit Plan 2015/16.

INTERNAL AUDIT PLAN 2015/16

MONITORING REPORT

AS AT 30.09.15.



DEPARTMENT OF FINANCE

1 INTRODUCTION

The Internal Audit Annual Plan for 2015/16 was approved by the Governance and Audit Committee (G&AC) at its meeting on 24 July 2015. 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 2015 and identifies any significant audit issues arising.

2 RESOURCES

2.1 Reduction in Audit Resources

The Internal Audit Plan for 2015/16 has 30% less capacity than in 2014/15 (1795 days v 2567 days) and 34% less than in 2013/14 (2732 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 2015/16 was planned to be the provision of assurance on the Council's fundamental financial systems.

Further, in September 2014 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 SLA also requires a Business Plan to be prepared for December 2015 to determine an option appraisal for future service delivery.

This SLA commitment, together with insurance management and accountancy support to Bradford, absorb 184 days (10%) of the available planned 1795 days. In addition, a further 170 days are provided to West Yorkshire Pension Fund. The net audit days currently provided to Bradford Council in 2015/16 is 1441 days. This is to be increased slightly by the buying in of computer audit service days (estimated to be 60 days p.a.) from Wakefield, as Bradford's Computer Auditor retired in March 2015. This arrangement is to commence in the 2nd half of 2015/16.

The net outcome, assuming no other changes impacting on resources occur in the year, is that Bradford Council will receive circa 1470 audit days in 2015/16.

3 SERVICE DELIVERY

3.1 Audit Coverage

As at 30 September 2015, 48% of the 2015/16 audit plan has been completed compared to last year when 41% of the 2014/15 audit plan had been completed by this time.

However, Internal Audit faces a challenge in the second half of 2015/16 to deliver the audit plan. This challenge is due to the available resources of the function, which now has very limited capacity to absorb unforeseen audit issues and unplanned work, without it affecting the delivery of planned core audit work.

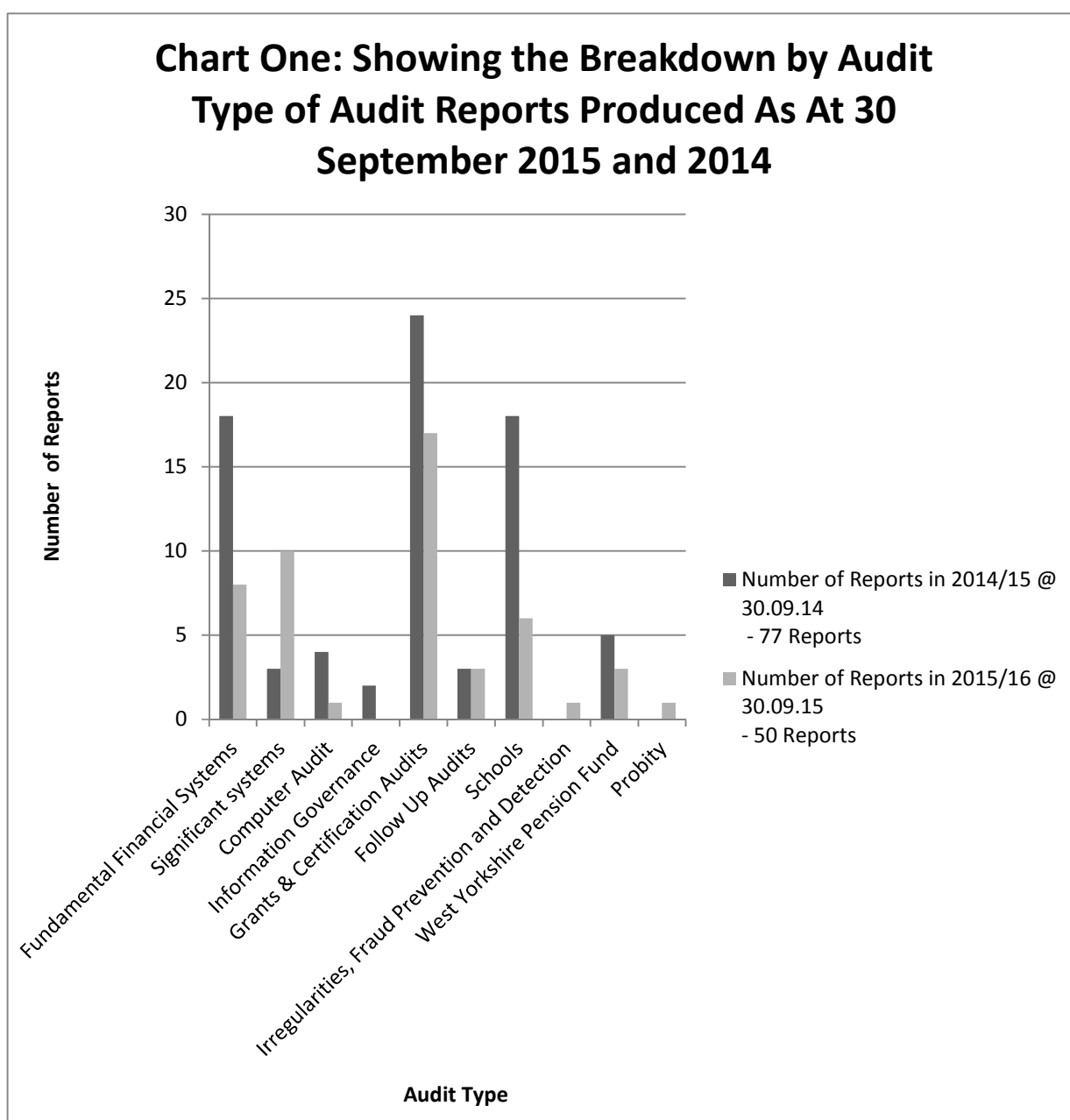
During the year to date there have been some revisions to the 2015/16 audit plan to reflect the priorities of the service and that several audits are taking more time to complete than was anticipated. These plan changes are detailed in section 3.7. The net effect of the proposed changes is that the section will focus marginally less on significant and fundamental systems than planned.

Currently it is forecast that 90% of the audit plan will be delivered by the end of the financial year which is the target level of completion. However, due to its relatively low resourcing levels, this forecast is more sensitive to changes in available resources than in prior years.

3.2 Reports Issued

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. Chart One below shows that as at 30 September 2015 a total of 50 reports have been issued, which compares with 77 at this time last year. The chart shows a breakdown of the reports by audit type, with grant and certification audits generating the highest number of reports to date in each year.

The reduction in the number of reports issued is due to the reduction in available resources.



3.3 Control Environment

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 proportion of reports assessed as either good or excellent opinions are largely increasing over time and account for approximately half of the opinions reached. This is somewhat expected, although reassuring, as Internal Audit's core focus is on fundamental and significant systems.

Table One: Six Monthly Analysis of Audit Opinions raised in Internal Audit Reports issued in the Period 1 October 2013 to 30 September 2015

	1 Oct 2013 and 31 March 2014		1 April 2014 and 30 Sept 2014		1 Oct 2014 and 31 March 2015		1 April 2015 and 30 Sept 2015	
Opinions	Total	Proportion	Total	Proportion	Total	Proportion	Total	Proportion
Excellent	12	22%	12	25%	13	28%	10	31%
Good	15	27%	17	35%	14	30%	9	28%
Adequate	15	27%	10	21%	9	19%	7	22%
Limited Assurance	11	20%	8	17%	6	13%	5	16%
No Assurance	2	4%	1	2%	5	11%	1	3%
Total Relevant Reports	55		48		47		32	
Not applicable**	28		29		29		18	
Total Reports	83		77		76		50	

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

Other trends are reports classified as adequate, limited assurance and no assurance are decreasing.

The analysis above relates to those reports with opinions. Opinions are derived from a standard analysis of the level of control satisfaction and number of high priority recommendations within a report. Where reports are produced that do not relate to the planned evaluation of risks and controls, for example in response to requests for advice on specific matters, or in response to known control failures there is often no opinion applied to the report.

The proportion of reports issued without an opinion being expressed has slightly decreased, but is still high representing 36% (18) of all reports issued over this period. In future, Internal Audit will try and increase the proportion of reports issued that include an audit opinion.

The audit work has identified that 78% of controls examined were operating satisfactorily. All concerns arising from the audit assignments result in an audit recommendation. To date, 100% of our audit recommendations have been accepted by management. This is consistent with the 2014/15 outcome (98%).

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 01.04.15 to 31.10.15.

3.4.2 Annual Returns From Strategic Directors

Analysis of the Annual Returns from Strategic Directors is shown in Table Two below.

Table Two: Analysis of Strategic Director's Reported Rate of Implementation of Agreed Recommendations for Reports issued up to 31.03.15

Department	Total in Follow Up		Overall Progress of Implementation		Outstanding Reports & Rec's Carried Forward		No Progress in Level of Implementation During Year	
	Reports	Rec's	2015/16	2014/15	Reports	Rec's	Reports	Rec's
Adult & Community Services	8	26	42%	90%	5	9	4	6
Chief Executive	9	15	100%	70%	0	0	-	-
Children's Services	54	195	96%	95%	7	23	1	1
City Solicitor	0	0	-	100%	-	-	-	-
Environment & Sport	9	14	97%	91%	3	4	-	-
Finance	26	47	88%	82%	9	21	2	3
Human Resources	7	18	92%	90%	3	4	-	-
Public Health	2	4	67%	100%	1	2	-	-
Regeneration	10	22	97%	93%	2	3	-	-
Total for all Departments	125	341	85%	90%	30	66	7	10

In total 125 reports containing 341 High Priority recommendations were followed up with Strategic Directors. This included 36 reports and 77 agreed recommendations brought forward as not fully implemented at the time of last year's follow up, plus 89 reports and 264 agreed recommendations issued during the 2014/15 financial year. The Strategic Directors' returns showed that 75% of reports and 81% of recommendations were fully implemented during the year, which is broadly in line with last year's figures (71% and 80% respectively). If progress is adjusted to reflect overall progress for each report, including partial completion, as shown on the Covalent system (used to monitor the recommendations) then total overall progress of implementation of recommendations rises to 85%.

The Strategic Director's returns showed that 30 reports and 66 recommendations were not fully implemented, at the time of the sign off. A small number of these (3 reports and 6 recommendations) had not reached the agreed completion date. The

remaining carry forward included 12 reports and 27 recommendations that were brought forward from the previous year (i.e. reports issued in or before 2013/14).

The total carry forward also included 7 reports and 10 recommendations where the agreed date for implementation had passed but the Strategic Director's return showed that no progress (or further progress) had been made in implementing the recommendations. Four of these reports related to Adult and Community Services, two to Finance and one to Children's Services. These reports are detailed below. With respect to Finance the reports were brought forward from the previous year and, although the returns contained comments to indicate that they continue to be tracked, the level of implementation has not changed.

This reported absence of progress has been brought to the attention of the relevant Directors to allow them to reconfirm that the progress shown in Covalent is accurate and/or prompt corrective action to be taken as appropriate.

List of Reports Where No Progress/Further Progress Has Been Made in Implementing Agreed Recommendations

Adult & Community Services

Supporting People Annual Assurance 2013/14: Issued 14.10.2014

Resource Allocation System: Issued 08.12.2014

Community Care Payments Assurance: Issued 20.02.2015

Follow Up Audit – Direct Payments: Issued 27.02.2015

Finance

Concerns Relating to Documentation Uploaded onto Web Based Systems: Issued 13.07.12

Information Retention & Disposal: Issued 28.03.14

Children's Services

Follow up of Concerns Relating to Compliance with Council's Procure to Pay Process: Issued 05.11.14

3.4.3 Individual Follow Up Audits Undertaken by Internal Audit

During the year Internal Audit has carried out 9 follow up Audits to determine the level of implementation of agreed recommendations. Three of the follow ups formed part of the original audit plan and were selected due to the significance or number of high priority concerns they contained. These audits commenced before the Strategic Directors returns were received. Following receipt of the Strategic Directors' returns Internal Audit subsequently performed a follow up of a further sample of 6 reports where the returns showed that the recommendations were fully implemented. The purpose of all the follow up audits was to independently validate the reported implementation rates of agreed recommendations and these, together with the audit results are shown in Appendix A.

In summary, just over half (52%) of the agreed High Priority recommendations followed up were found to have been fully implemented which is of concern when compared to the 89% full implementation rate reported in the Director's Returns. In addition, 30% of the recommendations were still considered to be High Priority in terms of the residual risk remaining. It is however pleasing that none of the recommendations were considered to be wholly unimplemented.

All follow up audits resulted in a report, and where necessary further recommendations have been made, to ensure that the original control weaknesses are addressed in their entirety.

A further follow up audit has commenced to determine the current status of implementation of 14 High Priority recommendations made to 3 Departments following the review of Sickness Monitoring, however this is currently in its early stages.

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, though this is based upon a reduced level of coverage in comparison to prior years.

3.7 Existing and Planned Changes to Internal Audit Coverage in 2015/16

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 2015/16 audit plan has been 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 2016/17 audit plan, but in a number of cases it is anticipated that there will no longer be a need for the audit work in 2016/17.

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 continues to focus on Fundamental and Significant Systems work in the second half of the financial year as these areas of work materially contribute to audit's opinion on the Council's control environment. 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 fundamental and significant systems planned to be covered in the second half of the year include the following.

Fundamental systems

Collection, Refunds & Write Offs of Council Tax, NNDR and Accounts Receivable
Accounts Receivable Billing
Recovery of benefit overpayments
Bank Reconciliation and Unallocated Cash - 15/16
Quotes, tenders and contract award process
Purchase cards

Starters and Leavers Schools

Significant systems

Public Health

Individual Service Funds

Affordable Housing / New Homes Bonus

Continuing Healthcare

Strategic Risk Management

Artistes Fees

Transitional Planning

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, 84% of draft reports were issued within 3 weeks of finishing the site work, this exceeds the target of 80%. 97% of 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 1.4.15. to 31.10.15

Appendix B Summary of Audit Reports and Findings

Appendix C Unplanned Audit Work Included in or Deleted from the Revised 2015/16 Internal Audit Plan as at 31.10.15

Follow Up Audits Performed 1.4.15 to 31.10.15

Department	Audit	Agreed High Priority Recs in Original Report	Confirmed as Fully Implemented in Directors Return	Audit Results		
				Fully Implemented	Partially Implemented	
					Residual Action High Priority	Residual Action Requires Attention
Chief Executive (WYPF)	Access to Data	3	3	1	2	-
Children's Services	Penalty Charges for Unauthorised Absences from school - follow up	3	3	2	1	-
	St Paul's Primary School	11	11	7	4	-
Environment & Sport	Taxi Procurement	3	*0	3	-	-
	Information Assurance within Transport Services	6	6	3	-	3
Human Resources	Recruitment & Safer Environment	4	4	1	2	1
Regeneration	Miscellaneous Rents	9	*7	4	4	1
	Utility Payments	3	*3	1	-	2
	Pavilion Gardens Compensation Payments	2	2	1	-	1
Totals		44	39	23	13	8
% of Total Agreed Rec's		100%	89%	52%	30%	18%

* This implementation level confirmation was taken from the October 2014 Director Sign Off as the follow up audits started in advance of the 2015 Director Sign Off process

Appendix B

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 2015 the following work was completed.
- 1.2 Assurance work on Council Tax, Accounts Receivable, and NNDR were all assessed as excellent or good. Requisitioning, Ordering & Receipting processes at Bradford and Airedale Community Equipment Service were also assessed as excellent.
- 1.3 Payroll work on services provided to full budget share schools and external bodies gave a limited assurance opinion. Improvements have again been recommended regarding the invoicing and recovery of payroll costs and service charges.

2. Significant Systems

- 2.1 The audit of the charging system for bulky residential waste and new bins identified that VAT on the sale of a significant proportion of wheelie bins is not being paid over to Her Majesties Revenues & Customs (HMRC) which could result in fines being levied on the Council. The audit also identified that Payment Card Industry (PCI) security awareness training is not up to date which could result in fines and the inability of the Council to process payment card income internally. Corrective action is being taken by management, with processes being put in place to identify and notify the VAT due to the HMRC and security awareness training being brought up to date, which will then be performed annually.
- 2.2 The audit of Emergency Planning reviewed the Council's preparedness for civil emergencies and its compliance with the statutory requirements. The audit identified that the Council has not put in place adequate business continuity management plans for all Service areas. The following 6 Services (25%), from 3 Departments, did not have an agreed plan;
 - Policy, Programmes and Change (Chief Executive)
 - Public Health (Chief Executive)
 - Access and Inclusion (Children's Services)
 - Education and School Improvement (Children's Services)
 - Deputy Director's Office (Children's Services)
 - Planning, Transportation and Highways (Regeneration and Culture)

Additionally, the content of the Council's entry in its Corporate Risk Register relating to business continuity management arrangements are not consistent with the findings of the compliance review.

The following corrective action is being taken by management. A top down approach has commenced to reinvigorate the Business Continuity Management (BCM) Programme having recently been raised at Senior Leadership Team. All services (AD's) will be asked to:

- Confirm a single point of contact (SPOC) for BCM.
- To ensure that the SPOC is trained by the Emergency Management Team (EMT)

- Ensure the production of a BCM plan for all services.
- With support from the EMT, ensure the exercise and annual review of the plan
- Ensure that all incidents or near misses are recorded, as directed by the EMT, and that lessons learned can be identified and shared corporately.
- Through all of the above, better integrate BCM into the organisational culture and place it as an agenda item on management meetings.

2.3 The audit of Youth Services at Bradford West and Shipley identified a number of issues regarding HR, payroll, procurement and reimbursement of travel expenditure processes. Management are addressing these issues.

2.4 The audit of partnership agreements that Adult Services has with the NHS identified that not all s75 or s256 agreements could be found, were up to date or signed by both parties; there has been a significant delay in establishing an overarching s75 agreement with the NHS; and VAT had not been properly accounted for in relation to the community care administration agreement. Management are continuing to liaise with CCGs to address these concerns.

3. Schools

3.1 School Audits

During the first half of the year, six reports relating to schools were issued. Of these, five related to individual school audits and included recommendations to improve the control environment at all schools visited. The remaining report provided a summary of the Schools Financial Value Standard process.

This is a decrease on the number of reports issued during the same period last year particularly in the area of themed audits, which has been the subject of several audits in recent years. This reduction is due to a decision to refocus Internal Audit's limited resources on areas of greater risk within the Council.

3.2 Schools Financial Value Standard

At the 2015/16 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 2015, self assessments had been completed by 157 of the authority's 170 schools. Of those not completing the return three were exempted because an Academy order was in place and ten schools submitted returns after the 31st March. 51% 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 2015 showed an improvement in the standard of completion and the level of compliance with individual questions and the SFVS overall. In particular it was pleasing to see an improvement in the quality of the returns from those schools represented at the SFVS training delivered by Internal Audit earlier this year.

Further SFVS training will be offered in November 2015. In response to comments from the previous Audit Committee this training has been advertised by emailing Chairs of Governors directly as well as publishing it on Bradford Schools online. This has proved successful with the majority of places booked being taken by Governors (other staff involved with SFVS have also confirmed their attendance). Internal Audit

hopes that the approach of focussing on training rather than auditing individual schools' SFVS returns will be a more efficient use of resources and will achieve greater coverage across the district.

4. Grants

Grant certification work is carried out in response to conditions placed on central government targeting of funding to local authorities, for example funding for road repairs following the damage caused by the harsh winter.

The grants requiring certification can vary each year. The audit plan for 2015/16 has seen an overall decrease in grant certification work, although two new grants were reviewed. To date 17 reports have been issued relating to 9 capital and revenue grants which required Internal Audit certification.

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.

One of the grants examined, the troubled families grant, has moved into phase two. Internal Audit have been instrumental in developing the outcome plan for this grant which will form the basis for future grant claims.

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

5 Computer Audit

During the first half of 2015/16, Internal Audit reviewed the management of the IT Transition Programme to transition the IT services provided by the Council's strategic partner IBM in house. The standard of control of the identified risks associated with the management of the IT Transition Programme was excellent. The review concluded that there was effective management over the programme to successfully transition the IT service from an outsourced model to an in-house delivered service.

6. West Yorkshire Pension Fund (WYPF)

During 2015/16 Internal Audit has carried out a variety of audits in the West Yorkshire Pension Fund (WYPF). Reports issued to the 30 September 2015 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.
- **Monthly Contribution Data Usage.** Employers pay combined contributions to the WYPF, being employers and employees contributions, on a monthly basis. In April 2014 the West Yorkshire Pension Fund introduced a new system for the monthly collection of data in respect of the contributions received from participating employers. This audit focussed on the usage of this data across the WYPF and highlighted opportunities for future development of this use.

- **AVC Arrangements.** This audit examined the controls in place for the management of pension cases involving additional voluntary contribution arrangements. The standard of control was found to be excellent with no issues to report.

Unplanned Audit Work Included in and Planned Audit Work Deleted from the Revised 2015/16 Internal Audit Plan as at 30.09.15

Additional unplanned audit work done / propose doing in 2015/16	Reason
Bradford District PRU	Review of the procurement process for its delivery partners following concerns being raised as to its fairness
Annual Assurance of WYPF Contributions Certificate	Review of the Council's payroll procedures to provide assurance of their adequacy and operation to support the sign off of the Certificate for WYPF
Curriculum Innovation Service	Audit advice on the selling of surplus ICT equipment on Ebay including the need to data cleanse to ISO accredited standards before the sale
Disabled Facilities Grant	Review required to confirm that the conditions of the grant had been complied with
Transitional Planning	Governance Audit Committee and Adults requested review in looking at processes being developed for new integrated service.
Housing Options Transformation	Adults requested audit involvement as a critical friend in the early implementation in transformation of service provision
Green Deal for Communities Grant phase 1	Grant audit certification required

Planned audit work proposed not doing in 2015/16	Reason
Better Care Fund	Defer audit to 16/17 to allow time for processes and legislation to 'bed in'.
Third Sector Contracts	Defer to 16/17 as the audit relates to Public Health and already doing a similar audit in 15/16
Purchased Care - Older People	Transformation Programme suggested that this is better deferred until 16/17 as due to introduction of Controcc
Resource Allocation System implementation	Audit to be deferred until 16/17 when the new RAS will be operational
Controcc	Being implemented in 16/17. Combine with purchased care that is being deferred until 16/17
Severe Weather Recovery System	No audit required as no grant allocated in 14/15 to certify
Capital scheme 1	Provision to review capital scheme removed as Internal Audit providing direct financial support to the Affordable Homes scheme
Budgetary Control	Removed not priority
Safer Recruitment - Disclosure and Barring Service Checks for Council staff excluding those in Children's	Removed not priority