

<b>Report to</b>	Audit Committee	<b>Item</b>
	20 June 2017	
<b>Report of</b>	Chief Internal Auditor, LGSS	<b>9</b>
<b>Subject</b>	Annual audit report on internal audit and fraud 2016-17	

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### **Purpose**

To inform members of the Chief Internal Auditor's annual audit opinion for 2016-17, and the supporting work of internal audit. The report, and the audit opinion within it, form part of the evidence to support the council's Annual Governance Statement 2016-17.

### **Recommendation**

To consider the annual Internal Audit report and opinion, noting the work of Internal Audit team for 2016-17.

### **Corporate and service priorities**

The report helps to meet the corporate priority Value for money services

**Ward/s:** All wards

**Cabinet member:** Councillor Kendrick – Resources

### **Contact officers**

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### **Background documents**

None

# Report

## Background

1. Under the Accounts and Audit Regulations 2015, the council “*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.*”
2. In 2012 (updated 2017) the relevant internal audit standard setters adopted a common set of standards across the public sector, the *Public Sector Internal Audit Standards* (PSIAS), which state “*Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes*”.
3. The Standards require that the Chief Internal Auditor presents an annual report to the Audit Committee, which in practice is timed to support the authority’s Annual Governance Statement. This is reflected in the ‘Terms of Reference’ of the Committee.
4. The annual report is a summary of all internal audit work carried out during the year. Each individual audit report is discussed at its draft stage and agreed action plans put in place. The annual report therefore represents in summary form a considerable degree of consultation with managers during the year.
5. Internal audit work is carried out to fulfil the audit plan, endorsed by the Committee and the Corporate Leadership Team. The plan is derived from corporate and service risk registers as well as any inherent risks such as a susceptibility to fraud associated with an individual system. Internal audit work seeks to provide assurance that the risks identified in the registers and within the systems risk matrix are mitigated by a sound system of internal control.
6. This annual report, appendix 1, provides members of the Audit Committee with:
  - the Chief Internal Auditor’s opinion for 2016-17;
  - a review of the system of internal control;
  - a summary of the work undertaken by internal audit in 2016-17; and
  - an overview of the performance of internal audit.

# INTERNAL AUDIT SERVICE

## INTERNAL AUDIT ANNUAL REPORT 2016/17

DUNCAN WILKINSON, CHIEF INTERNAL AUDITOR

20<sup>th</sup> June 2017

**LGSS Internal Audit & Risk Management  
Annual Report 2016/17**

*Norwich City Council*

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## 1. **INTRODUCTION**

### 1.1 ***The annual reporting process***

- 1.1.1 The Public Sector Internal Audit Standards (Performance Standard 2450) state that the chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. Norwich City Council's chief audit executive is the LGSS Chief Internal Auditor.
- 1.1.2 The annual report is required to incorporate the opinion; a summary of the work that supports the opinion; and a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement plan.

## 2. **CHIEF INTERNAL AUDITOR OPINION**

### 2.1 ***Chief Internal Auditor opinion***

- 2.1.1 The Public Sector Internal Audit Standards (Performance Standard 2450) state that 'the Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.' This must be based on an objective assessment of the framework of governance, risk management and control and include an evaluation of the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems.
- 2.1.2 My opinion is derived from an assessment of the range of individual opinions arising from assignments contained within the risk-based internal audit plan. This assessment has taken account of the relative materiality of these areas, and management's progress in addressing control weaknesses.
- 2.1.3 In 2016/17, the Internal Audit service has operated with an adequate level of resource to deliver an annual audit opinion. Internal Audit operates independent of the organisation, as per the Internal Audit Strategy and Charter, and there have been no compromises of Internal Audit's independence in its operation this year.

*On the basis of the audit work undertaken during the 2016/17 financial year, an opinion of **good** assurance is awarded. The internal control environment (including the key financial systems, risk and governance) is well established and operating effectively in practice. In addition, there are no outstanding significant issues arising from the work undertaken by Internal Audit*

*However, no systems of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.*

*The level of assurance therefore remains at a similar level from 2015/16.*

### **3. REVIEW OF INTERNAL CONTROL**

#### **3.1 *How internal control is reviewed***

- 3.1.1 In order to support the annual internal audit opinion on the internal control environment, each year internal audit develops a risk-based audit plan. This includes a comprehensive range of work to confirm that all assurances provided as part of the system of internal audit can be relied upon by stakeholders.
- 3.1.2 The changing public sector environment and emergence of new risks increasingly necessitates re-evaluation of the audit plan throughout the year. The plan, and subsequent revisions, is reported to the Audit Committee throughout the financial year.
- 3.1.3 Each Internal Audit review has three key elements. Firstly, the control environment is reviewed by identifying the objectives of the system and then assessing the controls in place mitigating the risk of those objectives not being achieved. Completion of this work enables Internal Audit to give an assurance on the control environment.
- 3.1.4 However, controls are not always complied with, which will in itself increase risk, so the second part of an audit is to ascertain the extent to which the controls are being complied with in practice. This enables Internal Audit to give an opinion on the extent to which the control environment, designed to mitigate risk, is being complied with.
- 3.1.5 Finally, where there are significant control environment weaknesses or where key controls are not being complied with, further substantive testing is undertaken to ascertain the impact these control weaknesses are likely to have on the organisation's control environment as a whole.
- 3.1.6 Three assurance opinions are therefore given at the conclusion of each audit: control environment assurance, compliance assurance, and organisational impact. To ensure consistency in reporting, the following definitions of audit assurance are used:

### Audit definitions

Control Environment Assurance	
Level	Definitions
Substantial	There are minimal control weaknesses that present very low risk to the control environment
Good	There are minor control weaknesses that present low risk to the control environment
Moderate	There are some control weaknesses that present a medium risk to the control environment
Limited	There are significant control weaknesses that present a high risk to the control environment.
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment

Compliance Assurance	
Level	Definitions
Substantial	The control environment has substantially operated as intended although some minor errors have been detected.
Good	The control environment has largely operated as intended although some errors have been detected
Moderate	The control environment has mainly operated as intended although errors have been detected.
Limited	The control environment has not operated as intended. Significant errors have been detected.
No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse.

- 3.1.7 Organisational impact will be reported as major, moderate or minor (as defined below). All reports with major organisation impacts are reported to SMT, along with the agreed action plan.

Organisational Impact	
Level	Definitions
Major	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole
Moderate	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole
Minor	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.

### **3.2    *The Basis of Assurance***

- 3.2.1 The findings and assurance levels provided by the reviews undertaken throughout 2016/17 by Internal Audit form the basis of the annual opinion on the adequacy and effectiveness of the control environment.
- 3.2.2 In 2016/17, the Audit Plan has been based on assurance blocks that each give an opinion on the key control environment elements, targeted towards in-year risks, rather than a more traditional cyclical approach that looks at each system over a number of years. The Audit Plan reflects the environment in which the public sector audit operates, recognising that this has changed considerably over the past few years with more focus on, for example, better assurance, safeguarding and making every penny count.

## **4.    *INTERNAL AUDIT IN 2016/17***

### **4.1    *Overview and key findings***

- 4.1.1 This section provides information on the audit reviews carried out in 2016-17, by assurance block.
- 4.1.2 For the reviews undertaken during 2016/17, only one area was identified where it was considered that, if the risks highlighted materialised, it would have a major impact on the organisation as a whole. Internal Audit completed a review of Capital Contracts which resulted in a “limited assurance” opinion, due to concerns with the governance arrangements between NPS and the Council. The Council was prompt to respond to this, has delivered partnership workshops, and is reviewing their financial procedures to improve financial and performance monitoring in this area.
- 4.1.3 Where reviews identify opportunities for improvement, these are agreed with management as part of an action plan. The actions are prioritised according to the significance of the control weakness, and urgency of implementing the improved control. Actions are given a rating of high, medium or low priority.
- 4.1.4 High priority actions are actively monitored by Internal Audit to ensure they are implemented promptly, and progress is reported to the Audit Committee during the year. An overview of the implementation of actions in 2016/17 is summarised in Table 1 below:



**Table 1: Implementation of audit recommendations**

Audit title	High priority recommendations		Medium priority recommendations	
	Closed	Open	Closed	Open
Debt recovery				5
Off contract spend				3
Housing Benefit & Council Tax reduction			1	
General Computer controls		1		
Information governance			1	
Garages and parking bays			1	
Provision market			1	
Land and property searches			2	
Shared Services			1	
<b>TOTALS</b>		<b>1</b>	<b>7</b>	<b>8</b>

4.1.5 The actions for General Computer Controls, Debt recovery and Off-contract spend, as detailed below in this report, were recently agreed with management in 16/17 and are not yet due for completion.

4.1.6 There were no significant actions arising from internal audit work outstanding at year-end.

## 4.2 *Financial and other key systems*

4.2.1 This is the 2016/17 suite of annual core systems reviews, undertaken to provide assurance to management and External Audit that expected controls are in place for key financial systems; that these controls are adequately designed and are routinely complied with in practice. The work is focused on the systems that have the highest financial risk; these are agreed in advance with External Audit and assist in providing assurance to External Audit that systems recording transactions within the 2016/17 financial year are free from material misstatement. These reviews also give an opinion as to the effectiveness of financial management procedures and the arrangements to ensure the integrity of accounts.

Audit coverage during the year has provided sufficient evidence to conclude that the key financial control systems are sound and that these controls continue to work well in practice although there are some minor areas where improvements have been

recommended. The level of assurance provided for all key financial systems reviews was good overall. Table 2 below details the assurance levels of all key systems audits undertaken in 2016/17, compared to the assurance levels in 2015/16.

**Table 2 – Key financial system audit opinions**

Service / Audit	Audit Opinion 2016-17		Audit Opinion 2015-16 <sup>1</sup>	
	Environment	Compliance	Environment	Compliance
Housing Benefits	Substantial	Good	Overall Good	
Housing Rents & Arrears	Good	Good	Overall Substantial	
Payroll	Substantial	Substantial	Overall Good	
Accounts Receivable	Substantial	Substantial	Not reviewed	
Procurement Governance	Substantial	Substantial	Not reviewed	
Accounts Payable	Substantial	Substantial	Not reviewed	
Debt Recovery	Good	Moderate	Not reviewed	
Treasury Management	Substantial	Substantial	Not reviewed	
NNDR	Substantial	Substantial	Substantial	Substantial
Council Tax	Substantial	Substantial	Substantial	Substantial
Financial Systems IT General Controls	Good	Good	Not reviewed	

- 4.2.2 The Housing Benefit review concluded that the compliance assurance was good rather than substantial. There are arrangements in place for the review of new claims prior to system entry; daily reconciliation of council tax reduction payments to the council tax control account; system access; classification of overpayments; quality assurance processes; backdated claims; and BACS payments. Authorisations of write-offs up to £2,000 are delegated to team leaders, and write-offs over £2,000 should be authorised by the Chief Finance Officer. Two instances were identified where write-offs, in excess of £2,000, had not been authorised correctly at the time they were written off. Both of these were subsequently authorised by the Chief Finance Officer. Procedure notes have since been reviewed by team leaders, and posted to the intranet training pages to remind employees.
- 4.2.3 For the Housing Rent and arrears review, the control environment and compliance assurance was good. The team follows an 'arrears procedure' timetable to maximise recovery of debt, and they manage debt write-off and large refunds in accordance with financial procedures and authorised delegations. Introduction of Universal Credit, plus a recent team restructure, provides an opportunity to review the process for financial delegation of smaller refunds and to revise procedure notes within the team.
- 4.2.4 The Debt recovery review concluded that the control environment was good and the compliance assurance was moderate. A collections strategy has been in place since 2015, but was not widely publicised and consequently the current recovery practices differ. Subsequently processes are being reviewed and will also reflect the planned

<sup>1</sup> The basis of assurance was updated in 2016/17 to provide an opinion on the control environment and compliance with the controls. 2015/16 equivalents are listed for comparison.

implementation of a new finance system. There were outstanding aged debts on the system, and debt management reports will be reviewed with budget holders to identify the potential for write-off. There is no reconciliation of debts written off the system to the requests. Consequently there is a chance that fraud and error may be undetected and, although there were no errors, system reports will be checked in future.

- 4.2.5 In relation to the Financial Systems IT, both the environment and compliance assurance was good, as there were minor control weaknesses in the system. The system does not enable distinction between capital and revenue authorisation limits, which can be different in practice, therefore the higher limit is allocated to users authorising expenditure. Although there were no transactional errors identified, there is a potential risk of error. The systems administration team are now monitoring this risk, and will run exception reports. The Council is implementing a new finance system and will try to incorporate preventative controls into the system.

### 4.3 ***Making every penny count***

- 4.3.1 This assurance block incorporates the on-going work on initiatives to promote the value of making every penny count across the organisation.
- 4.3.2 A review of Travel & Subsistence identified an opportunity to develop a policy and procedure for employees, and to clarify the best way to record private mileage to ensure compliance with HMRC regulations. Guidance helps to proactively reduce the risk of errors, and subsequent corrections, when making claims.
- 4.3.3 Other reviews in this area provided assurance that the Council has a robust Transformation Programme, to deliver the savings targets set out in the Medium Term Financial Strategy.

### 4.4 ***Anti-fraud and corruption***

- 4.4.1 This is a high-risk area across the public sector. LGSS Internal Audit undertakes work on anti-fraud and corruption, which includes both reactive and pro-active elements, along with a number of initiatives to raise awareness of the council's anti-fraud and corruption culture.
- 4.4.2 Internal Audit reviewed the Council's anti-fraud framework and issued three policies: anti-fraud and corruption policy; whistleblowing policy; and anti-money laundering policy. These reflect the latest guidance and good practice, and were consulted with the Joint Consultative and Negotiating Committee, the Audit Committee and Cabinet. The policies were promoted with posters and published to the website and intranet. They will be followed up in 2017/18 with further training for employees.
- 4.4.3 Internal audit supported an investigation into a theft of cash. The theft was detected by exception reporting and CCTV. Consequently an employee was prosecuted, and dismissed. Procedures were immediately reviewed and the locks were changed as additional measure of security.
- 4.4.4 Internal Audit reviewed internal controls and provided advice in response to emerging fraud risks, such as mandate fraud and credit card frauds. Promoting awareness of the fraud risks helps the Council to proactively implement appropriate controls.
- 4.4.5 The Council participates in a national data matching exercise known as the National Fraud Initiative (NFI) which is run by the Cabinet Office to prevent and detect fraud. Data-matching, between public and private sector bodies, flags up inconsistencies in data that may indicate fraud and error and helps Councils to complete proactive

investigations. Examples include matching: benefits and council tax reductions to license holders and insurance claimants to detect fraudulent claims and errors; matching payroll records across organisations to detect employment fraud and undeclared interests; and matching supplier and transaction records to detect potential duplicated payments. Internal Audit is responsible for the collection and submission of the required datasets for the Council which was completed within the timescales set by the Cabinet Office. Internal Audit also provided advice to the Council on Fair Processing Notices to ensure that required Data Processing Notices were in place in advance of the data collection. The results of the exercise were received by the Council in February 2017. From a total of 2683 matches now released, there are a total of 715 matches that meet the NFI's recommended filter as being of higher importance based on previous NFI exercises. The process of following-up identified matches is currently underway, and the recommended matches will be prioritised as they are areas where fraud and error is most likely to occur.

#### **4.5 *Commissioning and contracts***

- 4.5.1 Within this assurance block, a number of days are included for capital and current contract reviews, and a capital contact review was completed (as reported above in the Overview and key findings).

#### **4.6 *Policies and procedures***

- 4.6.1 Effective policies and procedures drive the culture and risk appetite of the organisation and ensure key control principles are captured. A number of policies and procedures were reviewed to ensure they were: up to date; fit for purpose; effectively communicated; routinely complied with across the organisation; monitored and routinely improved.
- 4.6.2 This provided assurance that policies, such as Contract Procedure Rules, Financial Regulations, and the Scheme of Delegation are regularly reviewed and updated. This helps ensure they are effective and fit for purpose.

#### **4.7 *Compliance***

- 4.7.1 Compliance work is fundamental, as it provides assurance across all Directorates and therefore underpins the Chief Internal Auditor opinion on the control environment. The audit coverage for compliance is underpinned by an assessment of the Council's framework of controls (often directed by policies and procedures) and includes a focus on those core areas where a high level of compliance is necessary for the organisation to carry out its functions properly. The work involves compliance checks across the organisation to provide assurance on whether key policies and procedures are being complied with in practice. As a part of this work, the existing controls are challenged to ensure that they are modern, effective and proportionate.
- 4.7.2 The Plan for 2016/17 included coverage of compliance in the following areas:
- Compliance with the Council's Scheme of Delegation;
  - Compliance with policies on the use of agency staff;
  - Compliance with off contract spend.
- 4.7.3 The review of agency staff identified an opportunity to update the Agency Workers Policy and guidance, to reflect current practice, as the Agency Framework is currently being reviewed. This will help remind Management to review the end dates of

temporary contracts and ensure that appropriate checks, such as DBS, are completed by contractors when needed.

- 4.7.4 The review of Off-contract spend included analytical review of expenditure. This identified opportunities for potential savings through adopting framework contracts. Although the amounts were not significant, the teams agreed to explore this for future procurement.
- 4.7.5 The sample testing undertaken throughout the year has not identified any significant non-compliance issues. Where weaknesses in the control environment have also been identified, recommendations have been made to improve procedures and controls.

#### **4.8 *ICT Information Governance***

- 4.8.1 Reviews of are completed for key ICT risk areas, such as major ICT failure and ICT strategy, and there was a review of general computer controls to provide assurance that systems are correctly processing information accurately and on a timely basis.
- 4.8.2 The Council undertakes regular penetration testing to proactively test for vulnerabilities and is also updating its Disaster Recovery Plan to ensure that there is adequate resilience to the impact of continuously emerging threats.

#### **4.9 *Other work / ICT and information assurance***

- 4.9.1 Internal audit provides advice and guidance to officers on a wide range of issues, including the interpretation of council policies and procedures, risks and controls within systems or processes, and ad-hoc guidance on queries relating to projects or transformation. Internal audit aims to provide clear advice and risk-based recommendations with a view to reducing bureaucracy whilst maintaining a robust control environment. Where appropriate, we also refer queries or concerns on to specialist services such as Information Governance or IT Security.
- 4.9.2 Internal audit also leads on maintaining the council's assurance framework and co-ordinating risk management work across the organisation. Internal audit maintained the corporate risk register in conjunction with Heads of Service, and reported updates to the Corporate Leadership Team, Audit Committee and Cabinet. Two risks are above the Councils risk appetite score, and these have been reported to Cabinet who approved that all reasonable mitigation had been taken. The risks relate to future uncertainty for:
  - Public sector funding; and
  - Housing Investment Strategy
- 4.9.3 During 2016-17 the audit manager updated the council's risk management policy for approval by Cabinet in January 2017.
- 4.9.4 In addition to audit reviews, the Principal Audit Manager sat on the Corporate Information Assurance Group, which reviews network issues, data protection, information risk and assurance, security breaches and information management. This included information security resilience exercises which helps to ensure that the Council can react promptly to incidents, and identify opportunities to improve controls which could reduce the risk of future incidents.
- 4.9.5 There were a small number of low-level data incidents which were reviewed by key employees, including the Principal Audit Manager, in accordance with the Council's incident response plan. Actions were put in place to reduce the risk of recurrence.

- 4.9.6 The Internal Audit team reviewed disabled facility grant capital expenditure. This enabled Council to provide a statement of assurance, to Norfolk County Council, that capital expenditure had been spent according to their grant conditions.
- 4.9.7 Internal Audit supported a review of the appointment of external auditors, providing a report which outlined the costs and benefits of various options. The preferred route, to use the PSAA Ltd, was endorsed by Audit Committee, Cabinet and Full Council.

4.10 ***Summary of completed reviews***

- 4.10.1 A summary of all audit reports issued in 2016-17 follows in section 6.

## 5. **INTERNAL AUDIT PERFORMANCE & QUALITY ASSURANCE**

### 5.1 **Delivery of the internal audit plan**

- 5.1.1 It was agreed that the final internal audit plan for Norwich City Council would deliver 470 days of audit activity.
- 5.1.2 The days spent in each area of the audit plan, analysed by the major categories of our work, is set out in the table below:

**Table 3 – Internal Audit Resource Input**

Assurance block	Total Days
Making Every Penny Count	40
Anti-Fraud & Corruption	40
Key Financial Systems	175
Commissioning & Contracts	40
Policies & Procedures	9
Compliance	35
ICT & Information Governance	8
Governance	24
Strategic Risk Management	10
Advice & Guidance	89
<b>Total Audit Days Delivered</b>	<b>470</b>

### 5.2 **Customer feedback**

- 5.2.1 When draft reports are issued, internal audit issue customer feedback questionnaires to appropriate officers. Complimentary feedback has been received in 2016-17, reflecting a very positive opinion on the value of internal audit at Norwich.
- 5.2.2 A survey of the internal audit team is sent annually to senior managers. Performance has improved, resulting in 100% satisfaction across the internal audit questions.
- 5.2.3 Surveys identified that there is an opportunity for developing risk management awareness throughout the Council, as some managers communicated a training need. The Risk Management Policy was promoted to the Corporate Leadership Team and the Audit Committee in 2016/17, and there are plans to promote this further to senior managers in 2017/18. This refresher training will help the Council to ensure that risks are captured and promoted to the Corporate Risk Register.

### 5.3 **Service development**

- 5.3.1 The LGSS team continues to grow and Milton Keynes has joined as a full partner. In addition the Welland partnership, plus East Cambridgeshire District Council have joined. This provides increased depth and breadth of skills and resources to deliver internal audit services to Norwich City Council. For example the team has auditors with specific skills, such as IT audits, who are used to provide assurance to the Council.

5.3.2 In 2016/17 a Principal Audit Manager, based at Norwich, was appointed which provides a local resource to lead delivery of the audit plan.

5.3.3 The team deploys auditors from across the broader LGSS team, to support specific pieces of work, to maximise the benefits to Norwich. Trainee auditors have also been supporting delivery of audit work at Norwich. This helps to develop knowledge of the Norwich internal control environment, within the team, which improves future resilience of the service.

#### 5.4 ***Compliance with Public Sector Internal Audit Standards***

5.4.1 The Internal Audit service has operated in compliance with Public Sector Internal Audit Standards throughout the year.

5.4.2 An external assessment of Internal Audit's compliance with Public Sector Internal Audit Standards (PSIAS) was undertaken in 2016/17, and a number of recommendations were agreed to further improve the work of the service, including the introduction of a new Terms of Reference format, and the inclusion of some specific areas within the Annual Report. A follow up visit scheduled for May 2017, confirmed the implementation of these actions and has confirmed compliance with the latest set of standards issued in April 2017.



## 6. SUMMARY OF AUDIT REVIEWS COMPLETED

The table below summarises the internal audit reviews that were completed during the financial year.

Audit title	Control assurance	Compliance assurance	Organisational impact
<b>Advice &amp; Guidance</b>			
A&G - Data Breach	Embedded assurance *		
A&G - Regeneration Company	Embedded assurance *		
<b>Anti-Fraud &amp; Corruption</b>			
Fraud Investigations	No level of opinion was allocated. Recommendations to strengthen internal procedures were accepted by management.		
National Fraud Initiative	Embedded assurance *		
Preventative & Pro-Active Fraud Work	Embedded assurance *		
<b>Commissioning &amp; Contracts</b>			
Current Capital Contracts Audit	Limited	Limited	Major
<b>Compliance</b>			
Agency Staff Compliance	Moderate	Moderate	Minor
Off-Contract Spend	Good	Good	Minor
Scheme of Delegation - Compliance	Substantial	Substantial	Minor
<b>Governance</b>			
Corporate Governance	Embedded assurance *		
<b>ICT &amp; Information Governance</b>			
General Computer Controls	Good	Good	N/A
<b>Key Financial Systems</b>			
Housing Benefits	Substantial	Good	Minor
Housing Rents/Arrears	Good	Good	Minor
Payroll	Substantial	Substantial	Minor
Accounts Receivable	Substantial	Substantial	Minor
Procurement Governance	Substantial	Substantial	Minor
Accounts Payable & Purchase to Pay	Substantial	Substantial	Minor
Debt Recovery	Good	Moderate	Moderate
Treasury Management	Substantial	Substantial	Minor
Council Tax	Substantial	Substantial	Minor
Financial Systems IT General Controls	Good	Good	Minor
NNDR	Substantial	Substantial	Minor
<b>Making Every Penny</b>			
Business Planning Benefits Realisation	Substantial	Substantial	Minor
HRA Business Planning	Substantial	Substantial	Minor
Making Every Penny Count - Strategy	Substantial	Substantial	Minor
Travel & Subsistence - Compliance	Moderate	Moderate	Minor
<b>Policies &amp; Procedures</b>			
Contract Procedure Rules	Substantial	Substantial	Minor
Scheme of Delegation – Policy	Substantial	Substantial	Minor
Financial Regulations	Embedded assurance *		

Audit title	Control assurance	Compliance assurance	Organisational impact
<b>Strategic Risk Management</b>			
Risk Management	Embedded assurance *		

\* Embedded assurance applies to projects / audits where auditors attended project boards or other working groups.