

# Public Document Pack



## Business Efficiency Board

Wednesday, 24 February 2016 at  
6.30 p.m.  
Civic Suite, Town Hall, Runcorn

A handwritten signature in black ink, appearing to read 'David W R'.

**Chief Executive**

### **BOARD MEMBERSHIP**

Councillor Joe Roberts (Chairman)	Labour
Councillor Martha Lloyd Jones (Vice-Chairman)	Labour
Councillor John Bradshaw	Conservative
Councillor Arthur Cole	Labour
Councillor Mike Fry	Labour
Councillor Darren Lea	Labour
Councillor Alan Lowe	Labour
Councillor Andrew MacManus	Labour
Councillor Tony McDermott	Labour
Councillor Norman Plumpton Walsh	Labour
Councillor John Stockton	Labour

*Please contact Christine Lawley on 0151 511 8328 or e-mail [christine.lawley@halton.gov.uk](mailto:christine.lawley@halton.gov.uk) for further information.  
The next meeting of the Board is to be confirmed.*

**ITEMS TO BE DEALT WITH  
IN THE PRESENCE OF THE PRESS AND PUBLIC**

**Part I**

<b>Item No.</b>	<b>Page No.</b>
<b>1. MINUTES</b>	
<b>2. DECLARATION OF INTEREST</b>	
Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
<b>3. EXTERNAL AUDIT UPDATE REPORT</b>	<b>1 - 21</b>
<b>4. INTERNAL AUDIT PLAN</b>	<b>22 - 49</b>
<b>5. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
<b>PART II</b>	
In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is <b>RECOMMENDED</b> that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act.	
<b>6. INTERNAL AUDIT PROGRESS REPORT</b>	<b>50 - 123</b>

***In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.***

**REPORT TO:** Business Efficiency Board

**DATE:** 24 February 2016

**REPORTING OFFICER:** Strategic Director – Community & Resources

**PORTFOLIO:** Resources

**SUBJECT:** External Audit Update Report

**WARDS:** Borough wide

### **1.0 PURPOSE OF THE REPORT**

1.1 The purpose of the report is for the Council's external auditors, Grant Thornton, to update the Board on progress made in delivering their responsibilities as the Council's external auditors and to provide a summary of emerging national issues and developments which may be relevant to the work of the Board.

**2.0 RECOMMENDATION: That the report be noted.**

### **3.0 SUPPORTING INFORMATION**

Grant Thornton will attend the meeting to present the report shown in the Appendix.

### **4.0 POLICY IMPLICATIONS**

None

### **5.0 FINANCIAL IMPLICATIONS**

5.1 There are no financial implications arising directly from this report.

### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

#### **6.1 Children and Young People in Halton**

None.

#### **6.2 Employment, Learning and Skills in Halton**

None.

#### **6.3 A Healthy Halton**

None.

**6.4 A Safer Halton**

None.

**6.5 Halton's Urban Renewal**

None.

**7.0 RISK ANALYSIS**

This report is for information only. There are no risks arising from it.

**8.0 EQUALITY AND DIVERSITY ISSUES**

There are no equality and diversity issues arising from this report.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act.

# Business Efficiency Board Update

## Halton Borough Council

Year ended 31 March 2016

February 2016

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Contents

<b>Section</b>	<b>Page</b>
Introduction	4
Progress at January 2016	5
Emerging issues and developments	9
Accounting and audit issues	10

# Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- Making devolution work: A practical guide for local leaders
- Spreading their wings: Building a successful local authority trading company
- Easing the burden, our report on the impact of welfare reform on local government and social housing organisations
- All aboard? our local government governance review 2015
- Knowing the ropes: Audit Committee effectiveness review
- Reforging local Government: financial health and governance review 2015

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

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# Progress at February 2016

Work	Planned date	Complete?	Comments
<p><b>2015-16 Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on council's 2015-16 financial statements.</p>	March 2016	On track	Our plan highlights the audit risks we have identified from our audit planning and from discussions with officers and sets out our proposed work to address those risks. The Audit Plan is being presented to the March 2016 Business and Efficiency Board.
<p><b>Interim accounts audit</b> Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> <li>• updating our review of the Council's control environment</li> <li>• updating our understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• proposed Value for Money conclusion.</li> </ul>	March 2016	On track	<p>We commenced our planning discussions with management in January 2016.</p> <p>Our interim visit will be undertaken in March 2016.</p>
<p><b>2015-16 final accounts audit</b> Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2015-16 financial statements</li> <li>• proposed opinion on the Council's accounts</li> <li>• proposed Value for Money conclusion.</li> </ul>	July/August 2016	On track	Our Audit Findings Report will be presented to the Business and Efficiency Board as "those charged with governance" in September 2016. It will set out matters arising from our accounts audit.

# Progress at February 2016

Work	Planned date	Complete?	Comments
<p><b>Value for Money (VfM) conclusion</b></p> <p>The scope of our work to inform the 2015/16 VfM conclusion has recently been subject to consultation from the National Audit Office. The audit guidance on the auditor's work on value for money arrangements was published on 9 November 2015.</p> <p>Auditors are required to reach their statutory conclusion on arrangements to secure VFM based on the following overall evaluation criterion: <i>In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.</i></p> <p>To help auditors to consider this overall evaluation criterion, the following sub-criteria are intended to guide auditors in reaching their overall judgements:</p> <ul style="list-style-type: none"> <li>• Informed decision making</li> <li>• Sustainable resource deployment</li> <li>• Working with partners and other third parties.</li> </ul> <p>We will be required to report by exception if we conclude that we are not satisfied that the Council has in place proper arrangements to secure value for money in the use of its resources for the relevant period.</p>	<p>January to June 2016</p>	<p>On track</p>	<p>The guidance and supporting information includes:</p> <ul style="list-style-type: none"> <li>• the legal and professional framework;</li> <li>• definitions of what constitute 'proper arrangements';</li> <li>• guidance on the approach to be followed by auditors in relation to risk assessment, with auditors only required to carry out detailed work in areas where significant risks have been identified;</li> <li>• evaluation criteria to be applied;</li> <li>• reporting requirements;</li> <li>• CCG specific guidance.</li> </ul> <p>The guidance is available at <a href="https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/">https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/</a></p> <p>Now that the finalised auditor guidance is available, we will carry out an initial risk assessment to determine our approach and report this in our Audit Plan.</p> <p>Our work will be reported in the Audit Findings Report presented to the September meeting of the Audit Committee.</p>

# Progress at February 2016

Work	Planned date	Complete?	Comments
<b>Other areas of work</b> We are required to summarise the outcome of our work to certify the Council's 2015-16 grant claims and returns.	September to November 2016	Not yet started.	We will prepare a report for the Business and Efficiency Board setting out the findings from our certification of your grant claims.
<b>Other activity undertaken</b> Provision of ad-hoc VAT advice, including: 1. Leisure 2. Runcorn Hill Park cafe 3. Sci Tech Daresbury	On-going	On-going	

# Reforging local government: Summary findings of financial health checks and governance reviews

## Grant Thornton market insight

The recent autumn statement represents the biggest change in local government finance in 35 years. The Chancellor announced that in 2019/20 councils will spend the same in cash terms as they do today and that "better financial management and further efficiency" will be required to achieve the projected 29% savings. Based on our latest review of financial resilience at English local authorities, this presents a serious challenge to many councils that have already become lean.

Our research suggests that:

- the majority of councils will continue to weather the financial storm, but to do so will now require difficult decisions to be made about services
- most councils project significant funding gaps over the next three to five years, but the lack of detailed plans to address these deficits in the medium-term represents a key risk
- Whitehall needs to go further and faster in allowing localities to drive growth and public service reform including proper fiscal devolution that supports businesses and communities
- local government needs a deeper understanding of their local partners to deliver the transformational changes that are needed and do more to break down silos
- elected members have an increasingly important role in ensuring good governance is not just about compliance with regulations, but also about effective management of change and risk
- councils need to improve the level of consultation with the public when prioritising services and make sure that their views help shape council development plans.



Our report is available at <http://www.grantthornton.co.uk/en/insights/reforging-local-government/>, or in hard copy from your Engagement Lead or Engagement Manager.

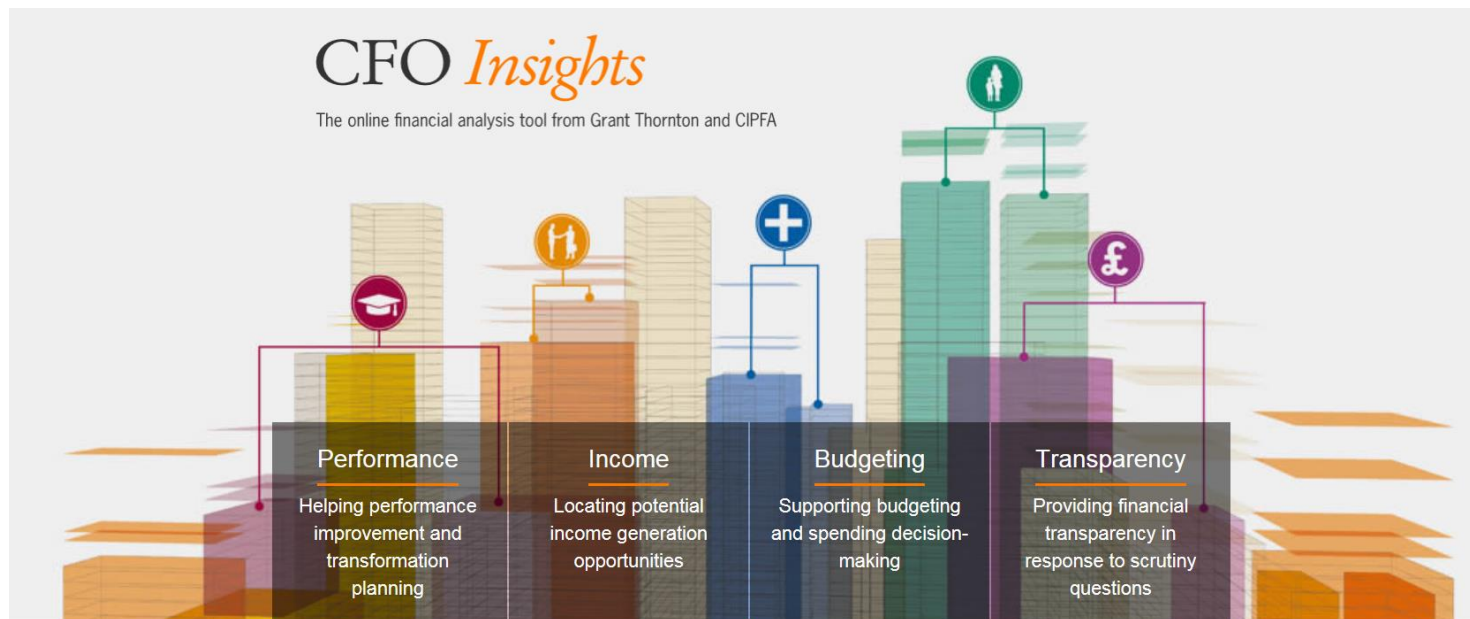
# CFO Insights– driving performance improvement

## Grant Thornton and CIPFA Market insight

CFO insights is an online analysis tool that gives those aspiring to improve the financial position of their local authority instant access to insight on the financial performance, socio- economy context and service outcomes of every council in England, Scotland and Wales.

The tool provides a three-dimensional lens through which to understand council income and spend by category, the outcomes for that spend and the socio-economic context within which a council operates. This enables comparison against others, not only nationally, but in the context of their geographical and statistical neighbours. CFO Insights is an invaluable tool providing focused insight to develop, and the evidence to support, financial decisions.

We are happy to organise a demonstration of the tool if you want to know more.



# CIPFA reports and publications

## Local Government Issues

### Audit Panels

In December 2015 the Chartered Institute of Public Finance and Accountancy (CIPFA) published its guidance on the establishment of auditor panels.

Under the Local Audit and Accountability Act 2014 'relevant authorities' are able to appoint their own local auditors via an auditor panel. The Secretary of State for Communities and Local Government has decided to implement a phased introduction of the new local audit framework, with all health bodies and smaller local government bodies moving to the new framework as planned on 1<sup>st</sup> April 2017 and larger local government bodies a year later, on 1<sup>st</sup> April 2018. In practice, this means that smaller local authorities must have appointed their local auditors by 31<sup>st</sup> December 2016 and larger principal authorities by 31<sup>st</sup> December 2017.

The guidance sets out the options available to local authorities in England for establishing an auditor panel; what form such a panel can take; the operation and functions of the panel; and the main task of the panel – that is, advising the authority in connection with the appointment of the local auditor

### Better Care Fund

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Healthcare Financial Management Association (HFMA) have issued a joint report examining the progress that has been made six months into the implementation of the government's £5.3bn Better Care Fund (BCF) arrangements. While the report points out that the fund has already begun to produce improved working relationships between NHS bodies and local public services, it highlights that more needs to be done to ensure the success of the BCF. The report is based on the results of a CIPFA and HFMA joint finance staff survey of NHS bodies and local authorities representing almost a third of BCF sites, and is available from the CIPFA website - <http://www.cipfa.org/about-cipfa/press-office/latest-press-releases/better-care-fund-struggling-with-red-tape>.

# Accounts - public rights of inspection and challenge

## Local Government issues: National Audit Office

### Council accounts: a guide to your rights

The NAO has published an updated version of Council accounts: a guide to your rights on its website. The guide has been updated to reflect the new requirements of the Local Audit and Accountability Act 2014, and applies to 2015-16 accounts. The document provides information on how people can ask questions and raise objections about the accounts of their local authority.

<https://www.nao.org.uk/code-audit-practice/council-accounts-a-guide-to-your-rights/>

### Arrangements for the exercise of public rights:

The Accounts and Audit Regulations 2015 set out new arrangements for the exercise of public rights from 2015/16 onwards. A key implication of the Act is that the final approval of the statement of the accounts by an authority prior to publication cannot take place *until after the conclusion of the period for the exercise of public rights*. As the thirty working day period for the exercise of public rights must include the first ten working days of July, authorities will not be able to approve their audited accounts or publish before 15<sup>th</sup> July 2016.

Smaller authorities must also wait until the conclusion of the thirty working day period for the exercise of public rights before publishing their accounts and the auditor's report.

# The Care Act and New Burdens

## Local Government Issues: Public Accounts Committee Report

Further to the NAO reports on *Care Act first-phase reforms* and *Local government new burdens* both published in June 2015, and the hearing of the Public Accounts Committee (PAC) in October 2015 on the combined topics, the PAC has now published its report on the matter. The PAC report considers the additional cost burdens on, and uncertainty for, local councils. It also considers the government's ability to identify and respond to councils that are struggling.

Its main findings are as follows:

- following the decision to delay the second phase of the Care Act, there are concerns that people will have to pay more for their care for longer before the cap on care costs is implemented. However, as the government have announced that they will not claw back the £146m of funding that it provided to councils in 2015/16 to prepare for the second phase, local authorities will not have the financial burden that was anticipated
- the DCLG have failed to adequately identify and assess new burdens on local authorities and consider their impact, creating significant uncertainty for local authorities Councils are faced with 'unfunded pressures' which are making it 'more difficult for them to meet their statutory duties and will increase pressure on council tax'
- The report calls for the Spending Review and annual finance settlements for local authorities to 'take full account of the many cost pressures local authorities face, whether or not they meet the government's definition of a new burden'. Funding must be monitored to ensure that vulnerable people do not lose out

The full report can be found at <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/publications/>



# Results of auditors' work 2014/15

## Public Sector Audit Appointments

Following the closure of the Audit Commission on 31<sup>st</sup> March 2015, Public Sector Audit Appointments (PSAA) became responsible for appointing auditors to local Government bodies and for overseeing the delivery of consistent, high-quality and effective external audit services. The Audit Commission previously published Auditing the Accounts reports for Local Government bodies covering the 2012/13 and 2013/14 financial years. The reports summarised the results of the work of auditors appointed by the Commission at local bodies. This is the first such report published by PSAA, and it summarises the results of auditors' work at 509 principle bodies and 9,755 small bodies. The report covers the timeliness and quality of financial reporting, auditors' local value for money work, and the extent to which auditors utilised their statutory reporting powers.

The timeliness and quality of financial reporting for 2014/15 remained broadly consistent with the previous year for both principal and small bodies, according to Public Sector Audit Appointments Limited's *Report on the results of auditors' work 2014/15: Local government bodies*.

- for principal bodies, auditors at 345 of 356 councils (97 per cent) were able to issue the opinion on the accounts by the statutory accounts publication date of 30<sup>th</sup> September 2015.
- 97 per cent of police bodies and fire and rescue authorities also received the audit opinion by 30<sup>th</sup> September 2015.
- for the second year in a row there have been no qualified opinions issued to date to principal bodies.
- the number of qualified conclusions on value for money arrangements has remained consistent with the previous year at 4 per cent (17 councils, one police body and one fire and rescue authority).

# IFRS 13 'Fair value measurement'

## Accounting and audit issues

The 2015/16 Accounting Code applies IFRS 13 'Fair Value Measurement' for the first time. The standard sets out in a single framework for measuring fair value and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

There is no public sector adaptation to IFRS13 but the Treasury and therefore the Code has adapted IAS 16 Property, Plant and Equipment so that operational assets (providing service potential) are no longer held at fair value but current value. As such IFRS 13 does not apply to operational assets. This new definition of current value means that the measurement requirements for operational property, plant and equipment providing service potential have not changed from the prior year.

However, surplus assets will need to be measured under the new definition of fair value, reflecting the highest and best use from the market participant perspective.

Other areas affected by the new standard include investment property, available for sale financial assets and those items where fair values are disclosed - for example, long term loans and PFI liabilities. IFRS 13 also introduces extensive disclosure requirements.

Local authorities need to:

- identify/ review their classification of surplus assets and investment properties
- discuss IFRS 13 with their property valuers and treasury advisers to ensure that fair values provided are produced in line with the new standard
- update accounting policies and disclosures to reflect the new standard.

## Challenge question

- Has your CFO reviewed the surplus assets and investment property categories to ensure what is included is correctly classified?
- Has your CFO ensured property valuers and treasury advisers are aware of the fair value definitions under IFRS 13?
- Have the accounting policies and disclosures in your accounts been updated to reflect the IFRS 13 requirements?

# Highways Network Asset

## Accounting and audit issues

CIPFA announced at the recent Local Government Accounting Conferences some key messages with regards to changes in accounting for the Highways Network Asset from 2016/17. These included:

- Transport Infrastructure Assets will now be referred to as single asset, the Highways Network Asset (HNA)
- this will be measured at Depreciated Replacement Cost (DRC) using the Modern Equivalent Asset (MEA) basis of valuation from 1 April 2016 and will be applied prospectively rather than requiring a full retrospective restatement
- the new requirements only apply to authorities with assets meeting the definition of a single HNA asset

CIPFA's expects that the transport infrastructure assets held by district councils/ non-highways authorities will be scoped out of the new requirements as assets are unlikely to form a single interconnected network. However, district councils will need to consider the nature of their transport infrastructure assets to assure themselves and evidence that their transport infrastructure assets are not part of an interconnected network.

The 2016/17 Accounting Code which will include further details on these announcements is expected to be published in Spring 2016. Grant Thornton has produced a short briefing on these announcements which is available from your Engagement Lead and Engagement Manager and will provide further briefings as further details become available.

## Challenge question

- Is your authority aware of the recent announcements?
- Has the CFO considered whether your authority is within the scope of the 2016/17 accounting requirements for HNA?
- Where relevant, does your authority have an Implementation Plan to meet the revised timetable?
- Has the Audit Committee been briefed on progress against the plan?

# Better Care Fund

## Accounting and audit issues

The Better Care Fund was launched on 1 April 2015 to ‘...drive closer integration and improve outcomes for patients and service users and carers’. The intention was to set up the fund as a pooled budget with NHS organisations and local authorities contributing into a single pot that is used to commission or deliver health and social care services.

In practice, different Better Care Fund agreements have different and sometimes complex arrangements. As a result determining the correct accounting can be difficult and there is no one size fits all approach. NHS and local government partners need to agree on accounting for such arrangements to ensure that not only are there no material errors in their own accounts but also that there are no material errors on consolidation into Whole of Government Accounts.

NHS and local government partners therefore need to consider the specific terms of their agreements and considering where the control and risks lie in line with the definition of control in IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements. Individual authorities also need to consider whether they are acting as a principal or an agent. Judgement may be required, and may therefore need to be disclosed as a critical judgement in the accounts.

Although the local government timetable is moving forward, the NHS timetable is still significantly earlier so local authorities will need to include dates in their closedown plan to give NHS colleagues the information they need to prepare their accounts in good time for these deadlines.

### Challenge question

- Has your CFO considered and agreed with partners the accounting requirements for the Better Care Fund and has this treatment?

# Unlodged non-domestic rate appeals

## Accounting and audit issues

Last year, there were primarily no provisions for unlodged non-domestic rates appeals as appeals received on or after 1 April 2015 were only backdated to 1 April 2015. The effect of last years announcement was supposed to put authorities in the position as if the revaluation had been done in 2015 as initially intended before the extension to 2017. This was only a one year reprieve and so any unlodged appeals at 31 March 2016 will only be backdated to 1 April 2015 and therefore may not be material.

However, this year, local authorities will need to estimate a provision for unlodged appeals but as above it may not be material.

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and the Code it is in only extremely rare cases that a reliable estimate cannot be made. Therefore, if your local authority does have such an instance, the rationale needs backing up: both in terms of disclosures (as a contingent liability) and in providing evidence to those charged with governance as to why a reliable estimate for the provision cannot be made.

## Challenge question

- Has your CFO made plans to assess the need for an unlodged non-domestic rates appeal provision?

# Website re-launch

## Grant Thornton

We have recently launched our new-look website. Our new homepage has been optimised for viewing across mobile devices, reflecting the increasing trend for how people choose to access information online. We wanted to make it easier to learn about us and the services we offer.

You can access the page using the link below -  
<http://www.grantthornton.co.uk/en/insights/?tags=local-government&q=sustainable+communities>





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**REPORT TO:** Business Efficiency Board

**DATE:** 24 February 2015

**REPORTING OFFICER:** Operational Director - Finance

**SUBJECT:** Internal Audit Plan – 2016/17

**WARDS:** Borough-wide

### **1.0 PURPOSE OF THE REPORT**

This report seeks the Board's approval for the planned programme of internal audit work for 2016/17.

### **2.0 RECOMMENDATION: That**

**The Business Efficiency Board is recommended to consider and approve the proposed Internal Audit Plan for 2016/17.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 A risk-based Audit Plan has been prepared in accordance with relevant professional guidance, i.e. the Public Sector Internal Audit Standards 2013 (PSIAS). The plan sets out the proposed internal audit activity for 2016/17.
- 3.2 The plan is designed to enable internal audit to deliver an overall opinion on the Council's risk management, control and governance arrangements. In prioritising audit coverage account has therefore been taken of the Council's corporate objectives and the overall assurance framework.
- 3.3 In preparing the plan consultation has taken place with key officers across the Council, external audit and the Chair of the Business Efficiency Board.
- 3.4 The draft Audit Plan for 2016/17 is attached as an appendix to this report. The document provides information on the role of internal audit and the factors taken into account in developing the plan.
- 3.5 A total of 1,061 days of audit work are planned for 2016/17. This level of resource is based on a forecast staffing establishment of 5.09 FTE staff. This is a reduction of 1.0 FTE from 2015/16 following a member of the team taking voluntary severance. The planned coverage is however considered sufficient to deliver a robust annual audit opinion.
- 3.6 Performance against the Audit Plan will be kept under review throughout the year and quarterly progress reports will be provided to the Business Efficiency Board.



- 3.7 Internal Audit will continue to work closely with the Council's external auditor, Grant Thornton, to minimise duplication and to ensure efficient and effective deployment of the overall audit resource.

#### **4.0 POLICY IMPLICATIONS**

Delivery of the Audit Plan will provide assurance that the policies and procedures established by the Council remain appropriate and are complied with in practice.

#### **5.0 OTHER IMPLICATIONS**

- 5.1 The Council is required to comply with the requirements of the Accounts and Audit Regulations 2015, regarding its "arrangements to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".
- 5.2 Internal audit work supports the Operational Director – Finance in discharging his statutory responsibilities as Section 151 Officer in terms of ensuring the proper administration of the Council's financial affairs.
- 5.3 Internal audit work provides one of the key sources of assurance to the Chief Executive and Leader of the Council who are jointly required to sign the Annual Governance Statement (AGS). The purpose of the AGS is to declare the extent to which the Council complies with the principles of good governance.
- 5.4 There are no additional resource implications arising from this report.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 6.1 Internal audit work supports the delivery of all the Council's priorities by promoting probity, integrity, accountability, efficiency and effective management of public funds.
- 6.2 The Audit Plan has been designed to provide assurance over the adequacy of the arrangements established to mitigate risks that may threaten the delivery of the Council's priorities.

#### **7.0 RISK ANALYSIS**

- 7.1 The work of Internal Audit forms a key element of the Council's overall system of internal control. An effective internal audit service also helps to promote and implement best practice and process improvements in the management of risks.
- 7.2 The Public Sector Internal Audit Standards require the Head of Internal Audit to review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programs, systems and controls.
- 7.3 Changes to planned work may therefore become necessary during the year. Minor changes will be agreed with the Operational Director –

Finance. Any significant matters that jeopardise completion of the plan or require substantial changes to it will be reported to the Board.

**8.0 EQUALITY AND DIVERSITY ISSUES**

None identified

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Public Sector Internal Audit Standards 2013.

2016/17

Internal Audit Plan



## 1. Introduction

- 1.1 This document summarises the results of Internal Audit's planning work. It sets out details of:
- The responsibilities and scope of internal audit
  - How the Council's internal audit service is resourced and delivered
  - How internal audit work is reported
  - The proposed programme of work for 2016/17 (the Audit Plan)
- 1.2 The Audit Plan for 2016/17 has been prepared in accordance with the requirements of the Public Sector Internal Audit Standards.
- 1.3 The Council has adopted the Public Sector Internal Audit Standards definition of internal auditing:
- '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'.
- 1.4 The work of internal audit is a key element in delivering the Council's strategic priority of corporate effectiveness and business efficiency, but also supports the Council in achieving all the aims and objectives set out in the Sustainable Community Strategy and the Corporate Plan.

## 2. Internal Audit – Responsibilities & Scope

### 2.1 The internal audit function is responsible for:

- Assessing and recommending improvements to the Council's governance processes. Specifically, this includes:
  - Promoting appropriate ethics and values within the organisation
  - Ensuring effective organisational performance management and accountability
  - Communicating risk and control information to appropriate areas of the organisation
  - Coordinating the activities of, and communicating information among, the Business Efficiency Board, external audit, internal audit and management
- Evaluating the effectiveness and contributing to the improvement of risk management processes
- Assisting in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement

### 2.2 The scope of internal audit work includes:

- The entire control environment of the Council, comprising financial and non-financial systems. Assurance services may also be provided to parties outside the Council with the prior agreement of the Business Efficiency Board.
- Reviewing controls that protect the interests of the Council in its dealings with partnerships in which the Council has an involvement.

2.3 The Public Sector Internal Audit Standards require that the internal audit service is delivered and developed in accordance with the internal audit charter. The Council has formally agreed that the provisions set out in section 6.2 of Finance Standing Orders constitute the Council's internal audit charter.

2.4 The establishment and maintenance of adequate control systems is the responsibility of management. Recommendations made by internal audit can reduce risk and improve systems of control. However, the implementation of audit recommendations cannot eliminate risk entirely.

2.5 Whilst it is not the role or responsibility of internal audit to detect fraud, the risk of fraud will be considered in each audit assignment.

### 3. Resourcing and delivering internal audit

3.1 The level of resource required to deliver an effective internal audit service to the Council has been assessed based on the need to provide adequate audit coverage of the Council's:

- Financial systems
- Risk management and governance arrangements
- Front line services and support services
- Procurement and contract management activity
- Information management arrangements
- Anti-fraud and corruption arrangements
- Schools

3.2 Account has also been taken of the need to be able to resource:

- Unplanned work which may arise during the year
- Follow up work to provide assurance that agreed recommendations are implemented
- Provision of advice and consultancy to internal customers

3.3 The 2016/17 Internal Audit Plan will be delivered predominantly by an experienced and suitably qualified in-house team of 5.09 FTE auditors. This is a reduction of 1.0 FTE from 2015/16, which has resulted from a member of the team taking voluntary severance. The available level of internal audit resource is however still considered sufficient to deliver a robust annual internal audit opinion to the Board.

3.4 As in recent years, a small amount of external support to assist the audit of information management systems will be provided by Salford City Council. Where appropriate, the internal audit team will also collaborate with internal audit colleagues from other local authorities in regard to the approach and delivery of particular audit assignments.

3.5 The internal audit team is managed by the Divisional Manager – Audit & Operational Finance, who also has responsibility for the following functions:

- Purchase to Pay

- Income control (collection and reconciliation of income)
  - Insurance
  - Client Finance (Corporate appointeeships and deputyships)
  - Direct Payments
- 3.6 Arrangements have been agreed to mitigate any potential impairment to independence and objectivity in regard to the audit of these areas. These arrangements will involve the Principal Auditor reporting the findings from the audits directly to the Operational Director – Finance without any influence or involvement of the Divisional Manager – Audit & Operational Finance.
- 3.7 When planning specific audit assignments, other sources of assurance may be taken into consideration in order to ensure the best use of the audit resource. Any work that is necessary in order to place reliance on other sources of assurance will be determined as required for each assignment.
- 3.8 The only planned assurance service to be provided to an external party is an annual audit provided to Manchester Port Health Authority, which is the governing body for the Manchester Ship Canal and River Weaver. Halton Borough Council is one of the funding authorities of Manchester Port Health Authority. The SLA to provide an internal audit service to the Port Health Authority has recently been renewed for a further three years.

## 4. Reporting arrangements

4.1 At the conclusion of each audit assignment, a draft report is issued to the appropriate manager within the Council. A final report containing management responses to any issues identified is subsequently distributed to:

- The Chief Executive
- The Strategic Director – Community & Resources
- The Operational Director – Finance (s151 officer)
- The Strategic Director and Operational Director responsible for the area reviewed
- Grant Thornton (the Council’s external auditor)

4.2 In each audit report, an overall assurance opinion is provided on the area audited. The opinion is based on the information obtained in the course of the audit and represents an assessment of the effectiveness of the control environment in the area audited. The scale of opinions is set out in the following table:

Assurance Opinion	Explanation
● Limited	A number of key risks are not managed effectively. The control systems in operation are in need of significant improvement.
● Adequate	The control systems in operation are generally sound. However, opportunities exist to improve the management of some risks.
● Substantial	There is a sound system of control in operation to manage risks effectively.

4.3 Throughout the year regular internal audit progress reports are presented to the Business Efficiency Board summarising the outcomes of internal audit work and any significant matters identified. Such matters may include risk exposures, governance weaknesses and value for money issues.

4.4 An annual report is presented to the Business Efficiency Board that provides the Head of Internal Audit’s overall opinion on the Council’s control environment. This opinion forms one of the sources of assurance in support of the Council’s Annual Governance Statement. The opinion is based upon the collective findings from the internal audit work completed during the year.



## 5. Internal Audit Plan – 2016/17

- 5.1 The Public Sector Internal Audit Standards state that the ‘chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals’.
- 5.2 In preparing the Audit Plan, account has been taken of:
- The Council’s risk management processes
  - The views of senior management
  - The results of previous internal audit work
  - Other existing sources of assurance, including the work of external audit
  - New or emerging risks, including known changes to the Council’s business, operations, programs, systems, and controls
  - The requirement to ensure sufficient coverage in order to provide a robust annual audit opinion
  - Planned work deferred from the 2015/16 Audit Plan
- 5.3 The Audit Plan is presented in a way that shows how each piece of planned work aligns with the Council’s Corporate Priorities. Some planned reviews clearly contribute to more than one priority. For presentational purposes the reviews have been listed under the priority that is considered most closely linked to the review area.
- 5.4 A budgeted time allocation has been set for each assignment included in the Audit Plan. It is accepted that the exact resource requirement for each assignment cannot be forecast with certainty. The plan therefore represents the best estimate of the way in which the Council’s internal audit resources will be deployed.
- 5.5 The intention is to complete all planned work within the year. However, the timing and respective prioritisation of work will take account of:
- The need to finalise any work from 2015/16 that remains incomplete at year-end
  - The need to prioritise the reviews deferred from the 2015/16 Audit Plan
  - The requirement to provide assurance over the Council’s key financial systems
  - The views of management of the service areas in regard to the timing of work
  - Any other factors that may be relevant to the timing of a particular piece of work

- Any urgent unplanned work arising
  - Changes in the level of audit resources available
- 5.6 The Audit Plan will be kept under review during the year and it may be necessary to make revisions to planned work in order to respond to changes in priorities or changes in the level of internal audit resources. Minor changes will be agreed with the Operational Director – Finance. Any significant changes will be reported to the Business Efficiency Board.
- 5.7 The following appendix sets out the proposed Audit Plan for 2016/17 explaining the rationale for each piece of planned work.

## SUMMARY INTERNAL AUDIT PLAN - 2016/17

Corporate Priority	Planned Days
<b>Corporate Effectiveness &amp; Business Efficiency:</b>	<b>433</b>
Financial Management	160
People Management	15
Information Management	30
Asset Management	60
Governance	103
Anti-Fraud & Corruption	65
<b>Children &amp; Young People in Halton</b>	<b>186</b>
<b>Employment, Learning &amp; Skills in Halton</b>	<b>10</b>
<b>A Healthy Halton</b>	<b>160</b>
<b>A Safer Halton</b>	<b>50</b>
<b>Halton's Urban Renewal</b>	<b>40</b>
<b><u>Other work:</u></b>	<b>182</b>
Contingency	104
Manchester Port Health Authority	3
Completion of outstanding 2015/16 audits	75
<b>Total Planned Days</b>	<b>1061</b>

## Corporate Effectiveness &amp; Business Efficiency:

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<b>Financial Management</b>				
Fees & Charges	15	A significant element of the Council's overall income derives from fees and charges. However, there is a pattern of reducing income levels across the Council.	An analytical review will be undertaken examining the Council's key income streams from fees and charges and examine the relationship between, budgeting, charging policy and income generation.	Audit report
Asset Valuation - Highways	15	The 2016/17 financial statements will require the Council to provide a valuation of its highways network calculated at depreciated replacement cost (DRC) instead of historical cost.	The audit will examine the measurement and valuation processes to provide assurance over data quality.	Audit report
Bank Mandates	15	The Council has many bank accounts and it is important that bank mandates are kept up to date to ensure that they are consistent with the delegated authorities set out in the Constitution and are updated to reflect changes in personnel.	The audit will review all current bank accounts and confirm that each account is still required and that the signatories on the bank mandates are appropriate.	Audit report
Agresso Income Manager	20	The Council is due to implement a new income management system in March 2016. This will result in significant changes to the Council's income collection and accounting arrangements.	A full system review will be undertaken to provide assurance that controls over income collection and reconciliation have been maintained.  The audit will also examine the impact of the new system in terms of the Council's Payment Card Industry Data Security Standard (PCIDSS) compliance.	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<u>Financial key control reviews:</u>		These systems provide material disclosures for the financial statements.	High level reviews evaluating and testing the effectiveness of the key controls within each financial system	Audit report for each system
Payroll	10			
Loans & Investments	10			
Income Control and Reconciliation	10			
NNDR	10			
Council Tax	10			
Housing Benefit	10			
Accounting Journals	5			
Accounts receivable	10			
Accounts payable	10			
Fixed assets	10			
<b>Total</b>	<b>160</b>			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<b>People Management</b>				
Learning & Development	15	Learning and development is an investment for any organisation. At a time of continuing funding pressures it is therefore particularly important that there is a clear business link to the needs of the organisation and that learning and development opportunities are provided in a cost-effective manner.	The audit will examine the arrangements put in place to identify and address the learning and development needs of the organisation and individuals. This will include reviewing how the effectiveness of the investment in learning and development opportunities is assessed.	Audit report
<b>Total</b>	<b>15</b>			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<b>Information Management</b>				
Remote and agile working	20	<p>The Council is rationalising its administrative buildings and has implemented an agile working policy. This increasingly results in employees working from a range of locations.</p> <p>Increased adoption of mobile working presents additional security risks which the Council needs to manage.</p>	Review of the arrangements in place to manage the additional risks presented by remote and mobile working.	Audit report
Software asset management	10	<p>Good corporate governance dictates that an organisation should be fully aware of where and how its assets are used. Software asset management enables an organisation to keep better track of the deployment and utilisation of software across the business.</p>	<p>The audit will examine the arrangements that the Council has established to ensure that:</p> <ul style="list-style-type: none"> <li>• The software environment is adequately controlled and only authorised software is in use;</li> <li>• Over or under-licensing of software is identified and is used to inform purchasing decisions.</li> </ul>	Audit report
<b>Total</b>	<b>30</b>			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<b>Asset Management</b>				
Unoccupied Council buildings	20	<p>Unoccupied buildings present a cost and an insurance risk to the Council. They also provide an opportunity to be put to an alternative use or to be sold to generate capital receipts.</p> <p>The Council will also have a new insurer for its property assets from April 2016. It is therefore important that the Council is compliant with any policy requirements in regard to unoccupied buildings.</p>	The review will focus on compliance with conditions of insurance in regard to unoccupied buildings. It will also examine the Council's plans or strategies for future use or disposal.	Audit report
The Stadium	20	The Stadium is a significant asset of the Council and operates on a commercial basis. In a time of severe funding pressures it is of increasing importance that the Council maximises the financial performance of its assets.	The audit will examine lettings, billing and income collection, events, ordering and stock control, utilisation and the overall financial management arrangements.	Audit report
The Brindley Arts Centre	20	The Brindley Arts Centre is a commercial trading undertaking that generates revenue of approximately £1m pa. In 2016/17 it will operate with a budgeted subsidy of £112k (excluding recharges). The facility is working towards achieving a break-even position.	The audit will review the key financial systems in operation focusing on income generation and expenditure controls.	Audit report
<b>Total</b>	<b>60</b>			



Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<b>Governance</b>				
Governance Framework	15	<p>A revised edition of the CIPFA/SOLACE publication 'Delivering Good Governance in Local Government: Framework' is to be published in 2016.</p> <p>The Framework defines the principles that should underpin the governance of each local government body and provides a structure to assist local authorities with their own approach to governance.</p> <p>The revised Framework will apply from 2016/17.</p>	Self-assessment against updated guidance document 'Delivering Good Governance in Local Government: Framework'.	Audit report
Council Constitution	5	Need to ensure that the Council Constitution reflects changes in the legislation, policies and procedures.	Internal Audit contributes to a working party that meets each year to review and propose changes to the Council's Constitution.	Updated Council Constitution
Annual Governance Statement	5	Statutory requirement for the Council to produce an Annual Governance Statement.	Internal Audit input to the Corporate Governance Group which develops the Annual Governance Statement.	Publication of Annual Governance Statement
Reporting to the Business Efficiency Board	15	The Council Constitution requires Internal Audit to report to the Business Efficiency Board.	Attendance at, and preparation of reports for, the Business Efficiency Board on internal audit and governance related matters.	<p>Audit Plan</p> <p>Regular progress reports</p> <p>Internal Audit Annual Report</p> <p>Annual Fraud &amp; Corruption report</p>
Follow up of internal audit recommendations	50	To provide assurance that agreed internal audit recommendations are implemented.	Follow up of agreed internal audit recommendations to determine whether or not they have been implemented.	Follow up audit reports

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Information Governance	5	Information governance refers to the structures, policies, procedures, processes and controls implemented to manage information at an organisational level.  Penalties of up to £500k can be imposed for breaching the Data Protection Act.	Internal audit input to the work of the Information Governance Group	Further development of the Council's information governance arrangements
Working groups / Advice	8	Internal Audit is frequently asked for advice on specific issues and to contribute to various working groups within the Council.	Advice and input to be provided as required	Advice and guidance on risk and control issues
<b>Total</b>	<b>103</b>			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<b>Anti-Fraud &amp; Corruption</b>				
National Fraud Initiative (NFI)	15	NFI matches data across organisations and systems to help public bodies identify anomalies which may signify fraudulent claims and transactions. The Council is required by law to participate in NFI.	Co-ordination and investigation of the data matches identified from the exercise.	An update will be provided for the Business Efficiency Board in the Annual Fraud & Corruption report.
Review and update of Counter Fraud policies	10	Fraud and corruption are ever-present risks to all organisations. It is therefore important that the Council's arrangements to counter fraud and corruption reflect best practice.	Self-assessment against best practice guidance produced by CIPFA in 'Managing the Risk of Fraud'.	Annual report to the Business Efficiency Board on the Council's Anti-Fraud and Corruption arrangements. Update of the Anti-Fraud & Corruption Strategy and Fraud Response Plan.
Fraud awareness & Whistle-blowing initiatives	15	Employee education and awareness of fraud risks form a key element of an organisation's resilience to fraud.	Fraud awareness marketing campaign	Increased fraud awareness amongst employees and Members
Fraud working groups	10	Regional officer groups provide a forum for the exchange of information and a means of sharing best practice in regard to fraud prevention and detection.	Attendance at the Merseyside and Cheshire Fraud Groups and participation in joint initiatives.	Identification and investigation of potential frauds. Training and information sharing across the Cheshire and Merseyside authorities. Re-design of systems where fraud risks identified.
Confidential Offence Reporting	5	Internal audit receives reports from the public that are submitted through the Council's online reporting system. Reports received may relate to suspected fraud but also cover other issues such as fly tipping, noise pollution and child neglect.	The reports are reviewed and assigned to the relevant team within the Council to be investigated.	Investigation of complaints raised by members of the public

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
The Bribery Act	10	<p>An organisation could be liable if one of its employees commits a bribery offence. The person's activities would then be attributed to the organisation.</p> <p>An organisation will not commit the offence of failing to prevent bribery if it can show that it had 'adequate procedures' in place to prevent bribery. The adequacy of procedures will vary according to the types of bribery risks an organisation faces and the nature, size and complexity of its business.</p>	The audit will be a self-assessment of the procedures that the Council has in place to prevent bribery.	Audit report
<b>Total</b>	<b>65</b>			

**Children & Young People in Halton:**

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Specialist Services	20	A range of specialist services are commissioned from third sector providers. 2016/17 expenditure on commissioned services is budgeted at approximately £2.6m.	The review will focus on commissioning, contract management and financial control arrangements.	Audit report
Troubled Families	20	This is a Government initiative involving local authorities and their partners to help turn around the lives of troubled families in England. Funding is available to local authorities under a payment by results model.	Verification and certification work in respect of the quarterly claims to be submitted in 2016/17.	Annual audit report covering quarterly claims
Birth to 25 Education, Health and Care Plans	20	The Children and Families Bill 2013 extends the SEN system from birth to 25, giving children, young people and their parents greater control and choice in decisions and ensuring needs are properly met. This will include an offer of a personal budget for families with an Education, Health and Care Plan.	The audit will examine the systems and processes established by the Council in response to the new legislation.	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<p><b><u>School audits:</u></b>  All Saints Upton  Farnworth  Brookvale  Ditton  Brookfields  Astmoor  St Mary's  The Bridge  The Grange  OLPS  Windmill Hill  St Basil's  Moore  Daresbury  Hale CE  Saints Peter &amp; Paul  St Chad's</p>	126	<p>The Council has 60+ schools that are responsible for setting their own budgets and managing their finances.</p> <p>The frequency of school audit visits is determined by the audit assurance rating from the previous audit:</p> <ul style="list-style-type: none"> <li>• Substantial – 4 year cycle</li> <li>• Adequate – 3 year cycle</li> <li>• Limited – Annual cycle</li> </ul>	A standard audit programme has been developed for school audits, which is tailored to each school as required.	Audit report for each school
<b>Total</b>	<b>176</b>			

**Employment, Learning & Skills in Halton:**

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Halton People Into Jobs	5	<p>A4e is one of the prime contractors for the DWP's Work Programme, which is being delivered through a number of contract areas. Halton is part of a large contract area which includes Merseyside, Lancashire and Cumbria.</p> <p>The Council acts as a sub-contractor to A4e in delivering employment support services under the programme.</p> <p>As part of the contractual arrangements with A4e, the Council is required to comply with the A4e Security Plan.</p>	Annual verification work in regard to compliance with the A4e Security Plan (ISO27001:05).	Audit report
Halton Apprentice Hub	5	The Council has received a grant of £150k for this scheme. Audit work is required to provide assurance that expenditure is in line with the conditions of funding.	Grant claim audit	Certification of Grant Claim
<b>Total</b>	<b>10</b>			

**A Healthy Halton:**

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Domiciliary and Personal Care Services	20	The Council awarded new contracts for Domiciliary and Personal Care contracts in 2014/15. The annual total cost of the contracts is over £4.5m. Changes to the arrangements for paying providers are also being introduced as a result of the implementation of CareFirst Financials.	The audit will focus on contract management and payment procedures.	Audit report
Mental Health and Wellbeing	20	The Council has adopted a Mental Health and Wellbeing Strategy. Effective commissioning of services is a key element in improving outcomes for service users.	The audit will cover commissioning, contract management and financial management arrangements.	Audit report
Care Services – Contingency Planning	20	The majority of domiciliary and residential care is commissioned from independent providers. There is consequently a significant risk to the Council should a major provider of care services fail.	The audit will how the Council vets potential social care providers to gain assurance over their financial stability. It will also examine how robust the contingency arrangements are should a major provider fail.	Audit report
Supporting People	20	The Council no longer receives any specific funding in regard to Supporting People however the Council continues to fund a range of services that were previously funded through Supporting People grant. In 2015/16 these services were budgeted at £3.6m.	The audit will examine the accounting and contract management arrangements in regard to housing related support services.	Audit report



Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Alternative Day Services	20	<p>The Council provides a range of alternative day services, which include a hair salon, a catering service and a micro-brewery.</p> <p>The operation of trading services present a range of risks in regard to employment issues, financial management, health and safety, and compliance with relevant regulations.</p>	The audit will examine how the Council manages the risks associated with operating trading services, which are provided with the direct involvement of service users.	Audit report
Public Health	20	<p>The Public Health ring-fenced grant funding conditions include specific reporting requirements to the Department of Health. They also require the Chief Executive or S151 Officer to provide a signed statement confirming that the grant has been used to discharge the public health functions set out in Section 73B(2) of the National Health Service Act 2006.</p>	<p>The audit will provide assurance over the data quality arrangements relating to the reporting arrangements for public health.</p> <p>The audit will also provide the Chief Executive / S151 Officer with assurance over the appropriateness of expenditure in order to sign off the 2015/16 year-end Statement of Assurance to the Department of Health.</p>	Audit report
Leisure Centres	20	From April 2016 the Council is taking the management of three leisure centres back in-house.	The audit will examine the staffing, financial management and information management arrangements following the transfer of services from the current provider.	Audit report
Commissioning	20	The Council commissions a wide range of residential/nursing, day and support services from the voluntary and independent sectors.	The audit will examine the Council's corporate approach to commissioning, compliance with the Council's procurement policies and processes, and how the commissioning arrangements help deliver best value.	Audit report
<b>Total</b>	<b>160</b>			

**A Safer Halton:**

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Trading Standards	15	The service was brought back 'in house' in 2014/15 after being delivered by Warrington under a Service Level Agreement.	The audit will examine service planning and performance reporting in addition to examining controls around expenditure and control over test purchases.	Audit report
Deprivation Of Liberty Safeguards	20	Under the DOLS, local authorities have set timescales for completing a request for a 'standard authorisation' from a care home or hospital. Standard authorisations are used to authorise care arrangements that deprive an individual of their liberty.  DOLS also presents a risk to local authorities in regard to potential claims for wrongful detention.	The audit will examine the arrangements that the Council has established for completing requests for standard authorisations.  The audit will also focus on how the Council manages the potential risk for those persons receiving care in local authority accommodation.	Audit report
Street Lighting	15	The Council is undertaking a £5.2m programme of work to replace the current conventional street lighting with energy saving LED units.	The audit will provide assurance over the overall programme management arrangements relating to the scheme.	Audit report
<b>Total</b>	<b>50</b>			

## Halton's Urban Renewal:

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Highways	15	<p>A six-year contract is in place with 'Tarmac' for highway repairs, which was jointly let with Warrington Borough Council. The annual contract value is £3.5m.</p> <p>The procurement stages of the contract were previously audited but the operation of the contract has yet to be reviewed.</p>	The audit will provide assurance that there are adequate controls to ensure that the contract conditions are complied with for work let under the contract in regards to the quality standards required and agreed cost.	Audit report
Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance)	5	<p>For 2015/16 the Council will receive an allocation of £3.13m for the integrated transport and highways maintenance block grant.</p> <p>It is a requirement that the Head of Internal Audit signs a declaration to confirm that the conditions of funding have been complied with.</p>	Grant claim audit	Certification of grant claim
Regeneration Projects	20	<p>Major regeneration schemes represent a substantial investment by the Council to help encourage economic growth and to improve the quality of life for residents.</p> <p>Schemes can often have complex funding arrangements and frequently involve working with partner organisations.</p>	The audit will examine the arrangements that the Council has in place to secure value for money from investment in regeneration projects. Particular focus will be on the procurement, contracting and programme governance arrangements. The audit will also examine how the Council evaluates the benefits achieved from the investment.	Audit report
<b>Total</b>	<b>40</b>			

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