



Business Efficiency Board

**Wednesday, 1 February 2017 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 Martha Lloyd Jones (Chair)	Labour
Councillor Joe Roberts (Vice-Chair)	Labour
Councillor John Bradshaw	Conservative
Councillor Arthur Cole	Labour
Councillor Chris Loftus	Labour
Councillor Alan Lowe	Labour
Councillor Andrew MacManus	Labour
Councillor Tony McDermott	Labour
Councillor Norman Plumpton Walsh	Labour
Councillor John Stockton	Labour
Councillor Andrea Wall	Labour

Please contact Angela Scott on 0151 511 8670 or e-mail angela.scott@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

Item No.	Page No.
1. MINUTES	1 - 4
2. DECLARATION OF INTEREST	
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.	
3. EXTERNAL AUDIT UPDATE REPORT	5 - 19
4. PROGRESS REPORT FOR THE CORPORATE RISK REGISTER 2016-17	20 - 45
5. INTERNAL AUDIT PLAN	46 - 81
6. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	

PART II

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 **RECOMMENDED** 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.

7. INTERNAL AUDIT PLAN PROGRESS REPORT - QUARTER 3	82 - 158
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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.

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 23 November 2016 at the Civic Suite, Town Hall, Runcorn

Present: Councillors M. Lloyd Jones (Chair), Joe Roberts (Vice-Chair), J. Bradshaw, Cole, C. Loftus, A. Lowe, MacManus, McDermott, N. Plumpton Walsh, J. Stockton and Wall

Apologies for Absence: None

Absence declared on Council business: None

Officers present: E. Dawson, I. Leivesley, M. Murphy, A. Scott and L. Cox

Also in attendance: Georgia Jones, Grant Thornton External Auditors and one member of the public

**ITEMS DEALT WITH
UNDER DUTIES
EXERCISABLE BY THE BOARD**

Action

BEB15 MINUTES

The Minutes of the meeting held on 28 September 2016 were taken as read and signed as a correct record.

BEB16 EXTERNAL AUDIT UPDATE REPORT

The Board received a report of the Strategic Director, Enterprise, Community and Resources, which provided an update from Grant Thornton (External Auditors), regarding:

- Progress made in delivering their responsibilities as the Council's External Auditors; and
- A summary of emerging national issues and developments that could be relevant to the work of the Board.

It was noted that from 2017/18, local authorities would need to publish their audited financial statements by 31 July each year, which was earlier than the current deadline of 30 September.

Georgia Jones, Audit Manager from Grant Thornton, attended the meeting to present the report and then dealt with Members' questions.

RESOLVED: That the report be noted.

BEB17 PROCUREMENT STRATEGY 2016-19 - PROGRESS REVIEW

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which provided an update on progress with delivery of the Council's Procurement Strategy 2016-2019 (the Strategy), as at 31 October 2016.

The Strategy was approved by the Board in June 2016 and operated as a strategic function across the whole organisation to deliver cash savings and cost reductions. It was noted that the Strategy followed a format commended by the Local Government Association's National Procurement Strategy for Local Government in England 2014, and was underpinned by four key areas:-

- Making savings;
- Supporting Local Economies;
- Leadership; and
- Modernising Procurement.

Members were advised that the Public Services (Social Value) Act 2012 required public authorities to have regard to economic, social and environmental wellbeing in connection with public service contracts. Halton had embraced this requirement by placing Social Value into all of its procurement activities, where relevant and proportionate. It was reported that over the past few months, Halton had been involved in the development of the National Social Value Toolkit, alongside the Cabinet Office and a number of public sector bodies, which was launched on 13 September 2016.

As this would be the final meeting before Lorraine Cox, Divisional Manager, Procurement, left the authority to take up her new post, the Board wished to place on record their thanks for her work in Halton over the past ten years, and wished her well for the future.

RESOLVED: That progress with the Council's Procurement Strategy 2016-19, as set out in the report, be noted.

BEB18 PROCUREMENT STRATEGY - EXTERNAL AUDITOR

The Board considered a report of the Operational

Director, Finance, regarding the appointment of external auditors.

The Board was advised that the Council's current external auditor was Grant Thornton. Following the closure of the Audit Commission, such contract was managed by the Public Sector Audit Appointments Limited (PSAA), a not for profit company, limited by guarantee, and established by the Local Government Association.

It was reported that these transitional arrangements for external audit would expire at the end of the 2017/18 accounts, and the Council would then assume responsibility for the local appointment of its auditor. However, it was noted that the Council could opt into arrangements to have its auditor appointed on its behalf.

The report set out options for the local appointment of external auditors. It was noted that the Council had until December 2017 to make an appointment, but in practical terms contract negotiation needed to commence in Spring 2017 to meet that deadline.

RESOLVED: That Council be recommended to opt into the sector-led procurement of external auditors that will be undertaken by Public Sector Audit Appointments Limited (PSAA).

Operational
Director - Finance

BEB19 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) Whether Members of the press and public should be excluded from the meeting of the Board during consideration of the following item of business in accordance with Section 100A (4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- 2) Whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed

that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed that in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business in accordance with Section 100A(4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

BEB20 INTERNAL AUDIT PROGRESS REPORT

The Board considered a report of the Operational Director, Finance, which provided Members with a summary of internal audit work completed since the last progress report in June 2016. The report also provided details of progress against the 2016/17 Audit Plan.

It was noted that a total of twelve Internal Audit reports had be finalised since the last progress report. An overall assurance opinion was provided for each engagement. In addition, the report detailed follow-up processes which monitored whether management actions had been effectively implemented on previous audit recommendations.

RESOLVED: That

- 1) the update on progress against the 2016/17 Internal Audit Plan be received;
- 2) the completed Internal Audit reports be noted; and
- 3) the progress made in regard to the implementation of previous Internal Audit recommendations be noted.

Meeting ended at 7.15 p.m.

REPORT TO:	Business Efficiency Board
DATE:	1 February 2017
REPORTING OFFICER:	Strategic Director – Enterprise, Community & Resources
PORTFOLIO:	Resources
SUBJECT:	External Audit Update Report
WARDS:	Borough wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this item is for Grant Thornton to:

- Update the Board on the progress made in delivering their responsibilities as the Council's external auditors;
- Provide a summary of emerging national issues and developments that may be relevant to the work of the Board.

2.0 RECOMMENDATION: That the Board notes the report.

3.0 SUPPORTING INFORMATION

Please see attached report.

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

There are no specific implications for any of the Council's priorities.

6.2 Employment, Learning and Skills in Halton

See 6.1.

6.3 A Healthy Halton

See 6.1.

6.4 A Safer Halton

See 6.1.

6.5 Halton's Urban Renewal

See 6.1.

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 and Efficiency Board progress and update report for Halton Borough Council

Year ending 31 March 2017

January 2017

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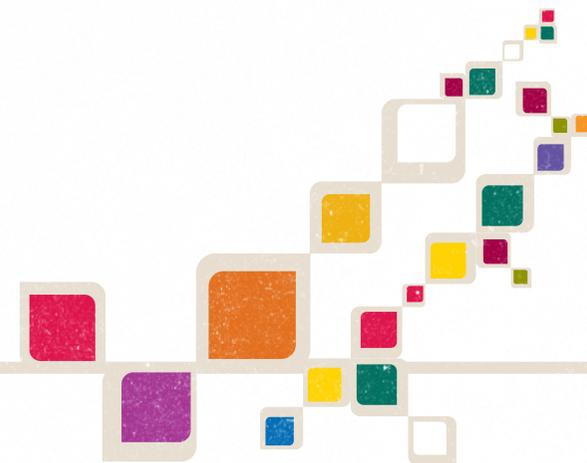
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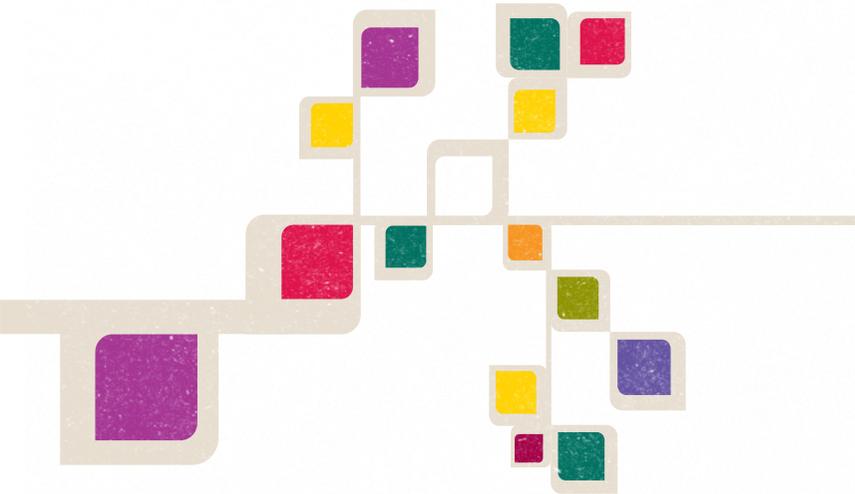
E john.padfield@uk.gt.com



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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Introduction

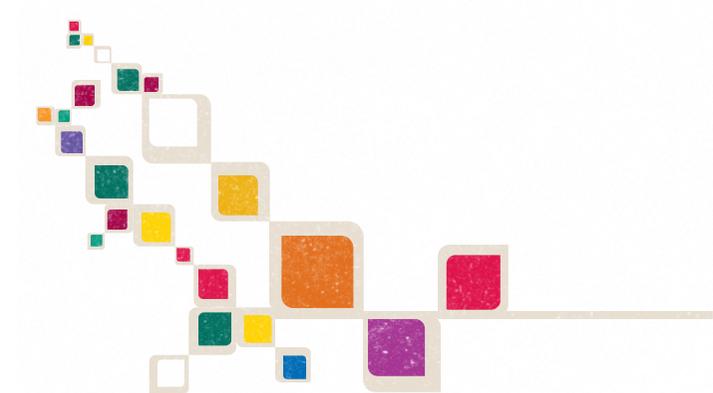
This paper provides the Business and Efficiency Board and other members with a report on progress in delivering our responsibilities as your external auditors.

Members can find useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector.

In this update we are providing you with a copy of our latest publications listed below:

- Advancing Closure: Transforming the financial reporting of local authority accounts;
<http://www.grantthornton.co.uk/en/insights/advancing-closure-the-benefits-to-local-authorities/>
- Culture of Place: summary of round table discussions and a collection of short videos:
<http://www.grantthornton.co.uk/en/insights/culture-of-place/>

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 Engagement Manager.



Progress at January 2017



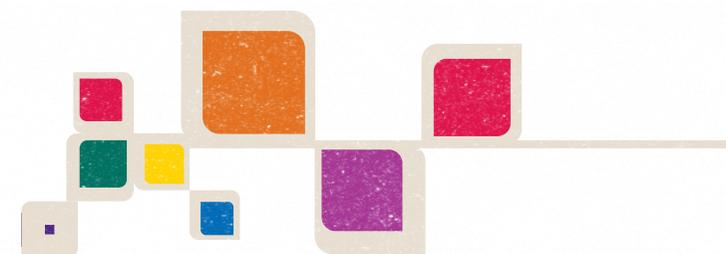
 **Progress against plan**
On track

 **Opinion and VfM conclusion**
On track

 **Outputs delivered**
On track

2016/17 work	Expected date of completion	Comments
<p>Fee Letter We were required to issue a fee letter for 2016/17 by 30 April 2016.</p>	April 2016	The fee letter was sent on 7 April 2016. It confirmed the 2016/17 scale audit fee of £105,294 for Halton Borough Council.
<p>Accounts Audit Plan 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 the Council's 2016/17 financial statements.</p>	June 2017	This audit plan will be presented to the Business Efficiency Board.
<p>Interim accounts audit Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> • updating our review of the Council's control environment; • updating our understanding of financial systems • review of Internal Audit reports on core financial systems; • early work on emerging accounting issues; • early work on the VfM Conclusion; and • early substantive testing. 	January – March 2017	We will continue to build our knowledge of the Council and work with officers to determine the audit work required to give you the assurance you need. Issues arising from our interim work will be set out in the Audit Plan.
<p>Final accounts audit Including:</p> <ul style="list-style-type: none"> • Audit of the 2016/17 financial statements, and • proposed opinion on the Council's accounts. 	July 2017	<p>The Audit Findings Report will be presented to the September meeting of the Business Efficiency Board and the Auditor's Report will be given by the deadline of 30 September.</p> <p>We will be working with officers with a view to bringing forward the audit of the accounts in line with the revised deadline of 31 July with is a requirement for the 2017-18 financial statements.</p>

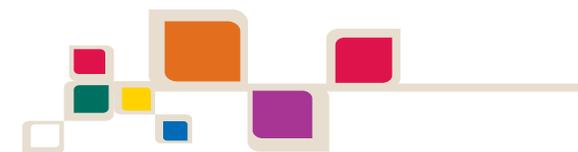
Progress at January 2017



2016/17 work	Completed	Comments
<p>Value for Money (VfM) conclusion</p> <p>The scope of our work is set out in the guidance issued by the National Audit Office in November 2016.</p> <p>The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The work required is to assess the overall criteria of; "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".</p> <p>The three sub criterion for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> • informed decision making; • sustainable resource deployment; and • working with partners and other third parties. 	<p>May – July 2017</p>	<p>We will carry out an initial risk assessment to determine our approach and report this in our Audit Plan. We will report our work in the Audit Findings Report and give our value for money conclusion by the deadline in September 2017.</p>
<p>Housing Benefit Subsidy claim</p> <p>We are required to review and certify the claim by 30 November 2017.</p>	<p>November 2017</p>	<p>We will report the results of our certification work in a separate report to the Business Efficiency Board.</p>
<p>Annual Audit Letter</p> <p>Our Annual Audit Letter summarises the key findings arising from the work that we have carried out for the year ended 31 March 2017.</p>	<p>October 2017</p>	<p>We will issue an Annual Audit Letter to the Council in line with specified deadlines after the audit of the 2016/17 financial statements.</p>

Accounting and audit issues





Accounting and audit issues

Code of Practice on Local Authority Accounting in the United Kingdom 2016/17

CIPFA/LASAAC has issued the Local Authority Accounting Code for 2016/17. The main changes to the Code include:

- the requirement for local authorities to report in the Comprehensive Income and Expenditure Statement on the same basis as they are organised and report in the year (ie. no longer following SERCOP). This is accompanied by the introduction of a new Expenditure and Funding Analysis which provides a reconciliation between the way local authorities budget and report during the year and the Comprehensive Income and Expenditure Statement.

Accounting and audit issues

Flexible use of capital receipts

DCLG has issued a [Direction and Statutory Guidance](#) on the flexible use of capital receipts to fund the revenue costs of reform projects. The direction applies from 1 April 2016 to 31 March 2019.

The Direction sets out that expenditure which 'is incurred by the Authorities that is designed to generate on-going revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners' can be treated as capital expenditure.

Capital receipts can only be used from the disposals received in the years in which the flexibility is offered rather than those received in previous years.

Authorities must have regard to the Statutory Guidance when applying the Direction.

Grant Thornton Publications



Website Relaunch

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/industries/public-sector/>



Advancing closure: the benefits to local authorities

With new regulation bringing forward the required publishing date for accounts local authorities must consider the areas needed to accelerate financial reporting.

In February 2015, regulations were laid before parliament confirming proposals to bring forward the date by which local authority accounts must be published in England. From 2017/18, authorities will need to publish their audited financial statements by 31 July, with Wales seeking to follow a similar approach over the next few years.

Many local government bodies are already experiencing the benefits of advancing their financial reporting processes and preparing their accounts early, including:

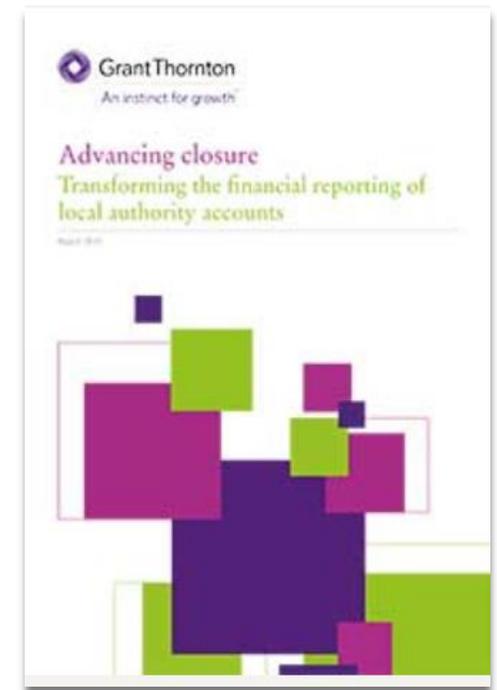
- raising the profile of the finance function within the organisation and transforming its role from a back office function to a key enabler of change and improvement across the organisation;
- high quality financial statements as a result of improved quality assurance arrangements;
- greater certainty over in-year monitoring arrangements and financial outturn position for the year, supporting members to make more informed financial decisions for the future;

- improved financial controls and accounting systems, resulting from more efficient and refined financial processes; and
- allowing finance officers more time to focus on forward looking medium term financial planning and transformational projects, to address future financial challenges.

While there is no standard set of actions to achieve faster close there are a number of consistent key factors across the organisations successfully delivering accelerated closedown of their accounts, which our report explores in further detail, including:

- enabling sustainable change requires committed leadership underpinned by a culture for success
- efficient and effective systems and processes are essential
- auditors and other external parties need to be on board and kept informed throughout.

Grant Thornton reports



<http://www.grantthornton.co.uk/en/insights/advancing-closure-the-benefits-to-local-authorities/>

Culture of Place

Our towns, counties and cities have distinct and varied cultures

Our towns, counties and cities have their own compelling and richly varied cultures. There are shared and sometimes contested values, local traditions, behaviours and drivers for change. Culture evokes memory and identity. It affects how we feel about where we live and work and what's possible. It can be a set of stories describing how we do things around here, bringing out the best in us – like our history and heritage – but also preventing us from moving forward.

With local authorities increasingly adopting a place-shaping role we're exploring how culture impacts on the sector's ability to facilitate and support a vibrant economy.

We have hosted two round tables with local authority CEOs, leaders and others, to consider how local authority leadership needs to change if it is to take local culture into account.

From conversations with local authority CEOs, leaders and others, we have collated a selection of stories that invite us all to think about how the sector can disrupt fixed thinking, open up cultures and energise our places. They go beyond what's immediately obvious, voice what is sometimes unsaid and work with the strengths of their place.

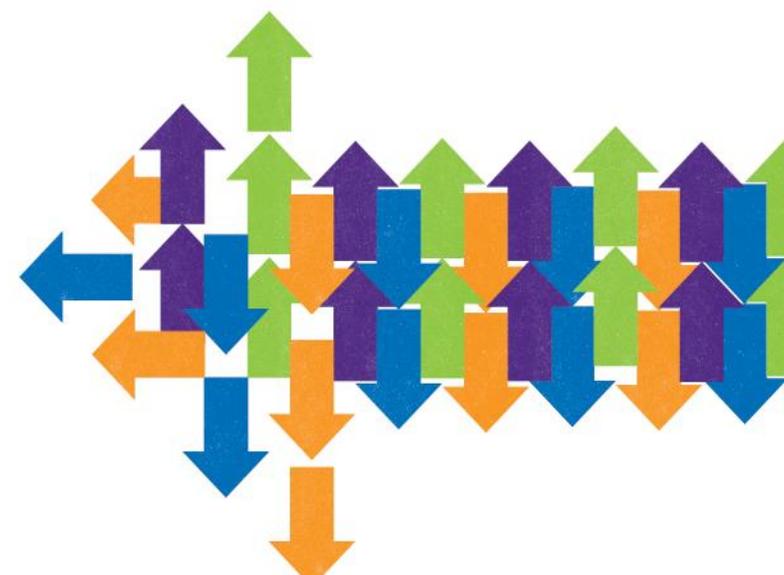
Although the term culture of place is heavily subjective our initial conversations suggest there are some common themes occurring.

- Being clear about what they want to see – there is a strong need to create an environment that gives people permission to care, to be innovative, to take action themselves, to adapt and experiment
- Socio-economic situations often drive the culture – the uniqueness of socio-economic factors leads to a recognition that one place will never be like another – and, in fact, should not aspire to be so - instead tailoring their approach to the areas specific strengths.
- It's all about context – areas within Britain can be local, national and international all at the same time, learning to live with, and get the best advantage from, what's on our doorstep is key.

A copy of the report and a collection of short videos can be found on our website at:

<http://www.grantthornton.co.uk/en/insights/culture-of-place/>

Grant Thornton reports





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REPORT TO: Business Efficiency Board

DATE: 1 February 2017

REPORTING OFFICER: Strategic Director, Enterprise Community & Resources

PORTFOLIO: Resources

SUBJECT: Progress Report for the Corporate Risk Register 2016/17

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To provide a progress update of actions taken for the risk control measures as identified in the Corporate Risk Register for 2016/17.

2.0 RECOMMENDATION: That

- 1) The progress of actions are noted;**
- 2) To review the robustness of the Corporate Risk Register and the adequacy of the associated risk management arrangements; and**
- 3) To make such recommendations to the Executive Board as is necessary and appropriate.**

3.0 SUPPORTING INFORMATION

3.1 The report contains a progress commentary on the corporate risks for this year and will be taken to the Business Efficiency Board in order to determine the adequacy of arrangements.

3.2 The Council recognises that it has a responsibility to manage both internal and external risks as a key component of good corporate governance.

3.3 Risk is defined as being the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk Management is defined as the process by which risks are identified, evaluated and controlled.

3.4 At Directorate level arrangements are in place for the high-risk mitigation measures on the Directorate Risk Registers to be

reviewed and updated at mid-year in line with Directorate Business Plans. Progress on these is reported to Management Team and Policy and Performance Boards.

3.5 Together with consultation with internal stakeholders, Directorate Risk Registers are central to any reviews and updates of the Corporate Risk Register. This ensures that the council maximises its opportunities whilst minimising and controlling the associated risks in delivering the council's vision and services for Halton.

3.6 The Risk Control Measures have been reviewed and updated in line with current changes within the Authority and as proposed by managers and internal stakeholders.

3.7 The risks have been grouped in order of priority and the scores relate to 'Unmitigated Risk Scores' and then to 'Mitigated Risk Scores'. The headings and scores in order of priority are:

- i. Budget Reductions (16:16);
- ii. Capacity and Resilience (16:16);
- iii. Safeguarding Children and Adults (16:12);
- iv. Changes to Government Arrangements (16:8);
- v. Community Expectations (12:9);
- vi. Mersey Gateway (12:4);
- vii. Partnerships (12:4);
- viii. Fraud (9:6); and
- ix. Funding and Income Generation (9:4).

4.0 **POLICY IMPLICATIONS**

4.1 To provide a framework through which effectively manages the actual and potential opportunities and threats that may affect the achievement of the Council's strategic priorities and operational objectives.

5.0 **FINANCIAL IMPLICATIONS**

5.1 There are no financial implications.

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

6.1 Corporate Effectiveness and Business Efficiency

7.0 **RISK ANALYSIS**

7.1 Failure to review and monitor the performance of the Corporate Risk Management could result in service development opportunities being lost and existing service delivery being compromised.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Within the risk register there are a number of implications for Equality and Diversity issues, e.g. Budget Reductions and Capacity and Resilience.

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

None under the meaning of the Act.

Corporate Risk Register

Lead Strategic Director: **Ian Leivesley**

Risk Management Coordinator: **Tony Dean**

Initial Register Completion Date: **November 2011**

Register Review Date: **March 2016**

Progress update: **September 2016**

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BUDGET REDUCTIONS

Item	Identified risk	Impact ¹ (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
1	Failure to effectively align resources to corporate objectives and strategic requirements leads to a lack of focus on priorities resulting in failure to deliver objectives and the possibility of varying degrees of challenge	4	4	16	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Financial Planning is undertaken to compare available financial resources with spending requirements over the medium term (3 years), resulting in preparation of the Medium Term Financial Strategy which allows overall budget gaps to be identified at an early stage and appropriate plans put in place to tackle them Effective Business Planning to ensure that appropriate resources are directed towards the Councils key strategic priorities Budget setting is aligned to the annual Business Planning Cycle in order to ensure that the value of financial resources are maximised Budget Risk Register works in conjunction with the Budget Setting Cycle to ensure that emerging budget risks are identified together 	4	4	16	6 monthly	Strategic Director Community & Resources (Ian Leivesley)

¹ For scoring mechanism see Appendix 'A'

<p>with relevant mitigating measures</p> <ul style="list-style-type: none"> • Exploring the potential for collaboration with neighbouring Local Authorities • Developing iterative processes to ensure that opportunities for partnership working are explored and, where appropriate, embraced 					
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Progress Commentary as at 1st September 2016
1. Budget Reductions

- The Directorate Business Plans are aligned with the annual budget process
- Key service objectives and performance targets follow the determination of annual Directorate Budgets and take account of available resources
- The development of the plans take account of existing statutory responsibilities and the Corporate Priorities of the Council
- Budget Working Group will be considering the 1st tranche of budget savings proposals for each Directorate in October
- Examples of shared services include the Integrated Youth Support and Mental Health Divisional Managers supporting neighbouring Authorities

CAPACITY AND RESILIENCE

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
2	Inability of the Council to sustain the delivery of services and respond to emergency situations in line with Council Priorities as a result of the impact of budget cuts	4	4	16	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Maintaining a supportive working environment through shared service organisational ethos, pride and value across Members, staff, management, Unions and partners • Focusing delivery of performance on the council’s corporate vision and key strategic priorities leading to a clearly understood and shared set of priorities • Emphasis on management and leadership standards with recognition of the challenges faced by the Authority leading to managers who are able to direct, inform, develop and support staff • Maintaining a workforce that are skilled, informed, flexible and competent in order to ensure that they deliver efficient and effective services • Keeping the ability and capability to respond to emergencies under review 	4	4	16	6 monthly	All Strategic Directors

Progress Commentary as at 1st September 2016

2. Capacity & Resilience

- The priorities of the Council are cascaded down into the action plans of Directorates, Departments, Teams and individual members of staff thereby realising the alignment of day to day activities and strategic priorities of the Council
- Quarterly Performance report identifies key developments on emerging issues and also progress on performance of the Councils Strategic Plan
- Efficiency reviews take account of critical front-line services. As a result some reviews have recommended the redeployment of resources to front-line services and have made greater savings from non front-line services
- Policy, People, Performance and Efficiency Division is providing an integrated and multi-disciplinary approach to meet both corporate and Directorate needs
- Managing Attendance Policy has been revised with a view to streamlining processes and with the ultimate aim to reduce the average number days lost per person with sickness
- New Organisational Development Strategy was launched in April and is designed to assist the Authority to become more resilient

SAFEGUARDING CHILDREN AND ADULTS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
3	Inability to support and protect children and adults to ensure that they are healthy, safe and have the opportunity to reach their potential	4	4	16	A Healthy Halton / Employment, Learning and Skills / Children and Young People / A Safer Halton

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Halton’s Children’s and Adult’s Safeguarding Boards fully operational with appropriate resources and are operating within statutory guidance and towards identified priorities • Representatives from the Children’s and Adult’s Safeguarding Boards to work in partnership through attending corresponding boards • Children’s and Adult’s Safeguarding Board’s to work with strategic groups within the Borough to ensure accountability and effectiveness of safeguarding • In order to provide a multi-agency response to the needs of children at risk of or being sexually exploited, multi-agency team initiated overseen by project board • Improving the health and wellbeing of children and adults through early intervention and treatment services delivered in house and externally via a range of providers and partners 	4	3	12	6 monthly	Strategic Director People & Economy (Gerald Meehan)

Progress Commentary as at 1st September 2016

3. Safeguarding Children and Adults

- Halton's Integrated Children's and Adult's Safeguarding Boards are fully operational. They are operating within statutory guidance and are providing resources as required
- Representatives from the Children's and Adult's Safeguarding Boards work in partnership and attend at corresponding boards. They have reciprocal arrangements including joint training events and assisting each other to carry out objective audits
- The Care Act 2014 introduced new legislation to protect vulnerable adults and policies are currently being developed in relation to specific aspects, e.g. Modern Slavery and People Trafficking
- Peer Review of Adult Services to be conducted in the new year
- Children's Board continues to work with strategic groups within the Borough to ensure accountability and effectiveness of safeguarding. This includes a programme of randomly selected audits of the management of cases
- Children's Board produces an annual report containing priorities and includes measurement on the effectiveness of arrangements. Progress is tracked via the HSCB Business Plan
- Child Sexual Exploitation panel assists in identifying young people at risk and agree on intervention measures
- A multi-disciplinary group, ICART, set up as a pilot project. The group streamlines processes by carrying out 360 degree assessments of 'high end' level 2 families with complex needs with a view to providing relevant advice, signposting and referrals

CHANGES TO GOVERNANCE ARRANGEMENTS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
4	Changes to Government arrangements and other public sector organisations could potentially lead to a deterioration of local services	4	4	16	A Healthy Halton / Employment, learning and skills / Children and Young People / A Safer Halton / Corporate effectiveness and business efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Ensuring that the Council plays an active role in the Combined Authority for the Liverpool City Region The potential impact on resources of schools moving to Academy status is being monitored through early engagement to gain an understanding of the level of risk 	4	2	8	6 monthly	Chief Executive (David Parr)

Progress Commentary as at 1st September 2016

4. Changes to Governance Arrangements

- There are a number of senior officers and Members actively engaged different groups within the Combined Authority for the Liverpool City Region
- The officers and Members had an input into the development of the strategy document for the Combined Authority
- There have been benefits to the partnership approach within the Combined Authority as has provided greater opportunities to access funding and initiatives. An example is that it has provided 3 years funding for the maintenance of the Silver Jubilee Bridge
- Although changes to force through conversion to Academies by 2022 have been dropped by the Government; monitoring is still taking place to establish if schools will be seeking conversion

COMMUNITY EXPECTATIONS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
5	Failure to effectively realise community expectations could lead to damage to the Authorities reputation and credibility resulting in negative views towards the transparency of the decision making process	4	3	12	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Consultation and community engagement embedded in the partnership constitution • Utilising recognised mediums to identify, communicate and coordinate community expectations and priorities. These include: <ul style="list-style-type: none"> Surveys; Customer analysis; On line services including consultation finder; Local and social media; Target consultation exercises for specific projects; Engagement through the activities of the specialist Strategic Partnerships; Service user groups; Elected member surgeries; and Other meetings 	3	3	9	6 monthly	All Strategic Directors

<ul style="list-style-type: none"> • Conducting Equality Impact Assessments with new and revised Policies • Honesty and integrity by the Authority in communicating with the public having regard to reducing budgets including promoting a self-help agenda • Any decisions to cease or amend service provision that has a significant impact on communities; early warning of intended actions through direct engagement with relevant communities to invite views 					
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Progress Commentary as at 1st September 2016

5. Community Expectations

- Customer Intelligence Unit (CIU) is directed by services to carry out consultations to assess customer feedback about a particular service or activity
- CIU has the ability to increase public consultation, thereby assisting to facilitate public involvement in decision making and at present they are conducting one consultation exercise per week
- The CIU is utilising social media to collate information from over 20,000+ followers and is producing annual reports. This also assists to expedite communications and also identify trends of community concerns, which are subsequently forwarded to relevant managers for their attention
- Website is regularly updated with the latest Equality Impact Assessments around any changes to policies and services
- Examples of use of recognised mediums:
 - Surveys
 - Children Centres
 - Widnes Market
 - Local & Social Media
 - Ongoing including promoting Fostering Services
 - How much does your council tax pay for

MERSEY GATEWAY

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
6	Lack of effective management of, and adherence to governance arrangements / contractual requirements, which could lead to either delays or increased project costs. In addition these could also lead to adverse publicity and reputational risks to the Council	4	3	12	Environment and Regeneration / Employment, Learning and Skills

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Dedicated company (Mersey Gateway Crossings Board Ltd) now established, with suitably experienced staff and directors, both Executive and Non-executive, and supported by class leading professional advisers. The relationship between Council and MGCB is detailed within a Governance Agreement CEO of the Council is also the acting interim CEO of Mersey Gateway Crossings Board Ltd. This provides continuity of knowledge from the inception of the project and also assists with the interface between the Council and Mersey Gateway Crossings Board Ltd Routine project assurance monitored through external bodies including specialist non-executive directors and advisers on the Board of Directors of MGCB, external Gateway Reviews (4Ps) Department for Transport and HM Treasury scrutiny at specific project milestones 	4	1	4	6 monthly	Chief Executive (David Parr)

<ul style="list-style-type: none"> • Delivery within the Funding Framework agreed with Government that is reviewed at regular intervals and managed through the Mersey Gateway Crossings Board's Risk Register, which is reviewed regularly by both the Audit Committee and the Board of Directors • Maintenance of effective relationships with Government Departments (as co funders for MG) maintained by both Department for Transport and HM Treasury being represented on the Board of Directors of MGCB 					
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Progress Commentary as at 1st September 2016

6. Mersey Gateway

- The Mersey Gateway Crossings Board Ltd has been established as a special purpose vehicle and is fully staffed
- Construction remains on schedule to deliver the project by Autumn 2017
- Reporting format to Council on progress of project agreed. A report is completed every 6 months and is taken to the Executive Board
- The Mersey Gateway Crossings Board has established its own Audit Committee which is responsible for reviewing the Board's internal financial controls and the Board's internal control and risk management systems. The Committee has completed a performance review that highlighted no major concerns and presented the findings to be Board
- The external auditors have completed the 2nd audit of accounts and Board has been given a 'clean bill of health'
- Monthly meetings take place between Board and Project Company on progression of project
- Board of Directors includes non-Executive Directors, who are able to observe progression of project
- Mersey Gateway Risk Register identifies contractual risks within project agreement and underlines that the balance of risks will be passed back to project team if the project remains 'as is'

PARTNERSHIPS

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
7	Ineffective and poorly controlled partnerships with statutory and non-statutory organisations will lead to a lack of accountability and ineffective use of resources resulting in a failure to meet the needs of and improve outcomes for local communities. In particular partnership work could be at risk where funding streams have discontinued	3	4	12	A Healthy Halton / Employment Learning and Skills / Children and Young People / A Safer Halton / Environment and Regeneration

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> Having efficient and effective arrangements with external partners through a shared strategic vision and action plans enables and influences partners to deliver at local levels Maintaining financial probity with the 'pool' budgets, as appropriate, with partners through effective governance arrangements Engagement with communities and partners on service priorities in order to identify and design alternative forms of delivery, as appropriate 	2	2	4	6 monthly	Chief Executive (David Parr)

7. Partnerships

- Partnerships predominantly operate through the Halton Strategic Partnership structure and continue to provide a strategic overview of delivery
- The financial risk for the Authority as an accountable body for the Strategic Partnership has significantly reduced due to the fact that there is no longer a dedicated budget
- Reputation and Governance Risks are managed via the Partnership constitution, which reflect the Authority guidelines. Also, each thematic partner has their own terms of reference
- An example of collaboration and coordination within partnerships includes closer working (multi-disciplinary teams) with the Troubled Families, ICART, CAMHS
- Asset Management Working Group exploring the potential for efficiency savings and improved services through the coordination and sharing of assets with partner organisations and identifying services delivered within a particular area
- Better Care Fund plan has been implemented and effective governance arrangements are in place to monitor its progress, via the Health and Wellbeing Board.

FRAUD

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
8	Inadequate control systems lead to an increase in fraud and financial loss	3	3	9	Corporate Effectiveness and Efficiency

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • The Business Efficiency Board monitors and reviews the adequacy of the Council's anti-fraud and corruption policies and arrangements <p><u>External</u></p> <ul style="list-style-type: none"> • The Authority is an active participant in the National Fraud Initiative <p><u>Internal</u></p> <ul style="list-style-type: none"> • The Council maintains an effective system of internal control, which includes: <ul style="list-style-type: none"> - Relevant policies and systems, e.g. Procurement Standing Orders, Finance Standing Orders, etc.; - Rigorous pre-employment checks of new employees; - Whistleblowing arrangements; - Anti-Fraud & Corruption Strategy; - Fraud Response Plan; - Fraud and bribery awareness training; and - A continuous internal audit of the Council's systems and services 	3	2	6	6 monthly	Strategic Director Community & Resources (Ian Leivesley)

Progress Commentary as at 1st September 2016

8. Fraud

External

- In September 2015 the Council transferred fraud investigator posts to the Department of Work and Pensions. In order to ensure that the Council maintained capacity to investigate fraud, two new Investigation Officer posts have been created focussing their work on Council payments such as Single Person Discounts and Council Tax Reduction Scheme. Since that date the team has investigated around 4,000 cases, checked 3,500 accounts leading to £35,000+ savings
- Meetings take place with other Cheshire authorities to share best practice and to discuss fraud related matters
- Fraud Awareness publicity campaign planned for Autumn

Internal

- Report taken to the Business Efficiency Board in June highlighting that there have been 6 incidents of fraud investigated in 2015/16
- Council's Whistleblowing Policy approved and Internal Audit oversees the records and investigations. In 2015/16 3 incidents were reported

FUNDING AND INCOME GENERATION

Item	Identified risk	Impact (Severity)	Likelihood (Probability)	Unmitigated Risk Score (I x L)	Council Priority Area(s)
9	Failure to maximise and identify funding opportunities in light of government cuts resulting in a potential challenge of the Councils capacity to delivery its priorities	3	3	9	A Healthy Halton / Employment, Learning and Skills / Children and Young People / A Safer Halton

Risk control measures	Residual score with measures implemented			Timescale / Review frequency	Lead Officer/s
	Impact (Severity)	Likelihood (Probability)	Mitigated Risk Score (I x L)		
<ul style="list-style-type: none"> • Continuing to identify funding streams and income generating options through horizon scanning alternative untapped funding opportunities and shared partnerships with 3rd sector, private sector, and other public sector bodies • During the budget setting process Directorates identify and prioritise funding requirements biannually including ensuring that there are systems to capture and report when funding comes to an end • Corporate Funding Development team has meetings with all Departments to identify funding requirements and signpost to specific funding streams • Commercially focussed through establishing trading and income generation possibilities in order to protect and effectively use funds • Intelligent procurement processes for spending of goods and services that leads to annual savings targets • Corporate procurement practices are consistently utilised 	2	2	4	6 monthly	All Strategic Directors

9. Funding and Income Generation

- The use of the Chest within Procurement is now established for all spending by services for over £1K
- The Chest assists to reassure that there are competitive processes and drive market prices down. This is delivering an annual savings target for the Council year on year and for every £5M that passes via the Chest, there is at least £500K of cost reduction
- External Funding provides information on specific funding streams to both internal and external officers. This is promulgated through Funding Bulletins on different themes including specific promotion of funding streams, bid-writing support for schools and funding searches for specific projects
- Bi-annual Impact Assessment reports are taken to Management Team on funding secured and this includes pipeline projects comparisons with neighbouring authorities
- 2015-16 External Funding secured £3.01 million
- Bid-Writing manual are being promoted and sold externally with a view to generating external income
- As part of income generation, internal Departments are providing services to external organisations, e.g. ICT to North West Employees, Mersey Travel and Sefton Council

Version Control Record

Version	Date Created	Date of Amendment:	Nature of Amendment	Date of Next Review:
1.0	13.10.11			
1.1		28.8.12	Progress Commentary	01.04.13
2.0		13.3.13	Reviewed and updated	01.04.14
2.1		20.9.13	Progress Commentary	01.04.14
3.0		31.3.14	Reviewed and updated in line with the Corporate Peer Challenge and the revised Business Planning Process and associated guidance notes	01.04.15
3.1		15.9.14	Progress Commentary	01.04.15
4.0		10.4.15	Reviewed and updated	01.04.16
4.1		10.09.15	Progress Commentary	01.04.16
5.0		01.04.16	Reviewed and updated. Replaced Architectural Landscapes with Changes to	01.04.17

			Government Arrangements	
5.1		01.09.16	Progress Commentary	01.04.17

Scoring Mechanism

Once the business risks are identified and analysed they are scored by multiplying the impact and likelihood. They will then establish a final score (or significance rating) for that risk:

Risk Score	Overall Rating
12-16	High
6-9	Medium
1-4	Low

Those that have been placed in the red boxes are the primary or **Top Risks** followed by the **medium** and **low** risks.

Measures to control the risks are identified from the following options;

1. Reducing the likelihood; or
2. Reducing the impact; or
3. Changing the consequences of the risks by,
 - Avoidance
 - Reduction
 - Retention
 - Transference; or
4. Devising Contingencies, i.e. Business Continuity Planning

The risks are scored again to establish the effects the measures have once implemented on reducing the risks and identify a score rating for residual risks.

REPORT TO: Business Efficiency Board

DATE: 1 February 2017

REPORTING OFFICER: Operational Director - Finance

SUBJECT: Internal Audit Plan – 2017/18

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 2017/18.

2.0 RECOMMENDATION:

The Business Efficiency Board is recommended to consider and approve the proposed Internal Audit Plan for 2017/18.

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 (PSIAS). The plan sets out the proposed internal audit activity for 2017/18.
- 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. The plan has also incorporated a number of reviews originally included in the 2016/17 Audit Plan that could not be completed during the year due to capacity issues.
- 3.4 The draft Audit Plan for 2017/18 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 1,151 days of audit work are planned for 2017/18. This level of resource is based on a forecast staffing establishment of 5.42 FTE staff. The planned coverage is 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 are implemented and remain appropriate.

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

2017/18

Internal Audit Plan



- 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
 - Resourcing and delivery of the Council’s internal audit service
 - Arrangements for reporting internal audit work
 - Proposed programme of work for 2017/18 (the Audit Plan)
- 1.2 The Audit Plan for 2017/18 has been prepared in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS). The PSIAS represent mandatory best practice for all internal audit service providers in the public sector.
- 1.3 The Council has adopted the PSIAS 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 In accordance with PSIAS, the mission of internal audit is to ‘enhance and protect organisational value by providing risk-based and objective assurance, advice and insight’.
- 1.5 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.
- 1.6 The PSIAS 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 relating to internal audit that are set out in section 6.2 of Finance Standing Orders constitute the Council’s internal audit charter.

INTERNAL AUDIT – RESPONSIBILITIES AND SCOPE

2.1 Responsibilities of internal audit

The internal audit function is responsible for:

- Reviewing and developing the Council’s governance processes. Specifically, this includes:
 - Promoting appropriate ethics and values within the Council
 - Supporting 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 of the Council’s risk management processes and contributing to their improvement
- Assisting in the maintenance and development of an effective control environment by providing robust independent assurance over its operation.

2.2 Responsibilities of management

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.

2.3 Responsibilities of the Business Efficiency Board

In regard to internal audit, the Business Efficiency Board is responsible for:

- Approving, but not directing, internal audit’s strategy, plan and monitoring performance
- Reviewing summary internal audit reports and the main issues arising, and seeking assurance that action has been taken where necessary
- Receiving and considering the Head of Internal Audit’s annual report.

INTERNAL AUDIT – RESPONSIBILITIES AND SCOPE

2.4 Responsibilities for fraud prevention and detection

The primary responsibility for the prevention and detection of fraud rests with management. Management's responsibilities include creating an environment where fraud is not tolerated, identifying fraud risks, and taking appropriate actions to ensure that controls are in place to prevent and detect fraud.

It is not the role or responsibility of internal audit to detect fraud. However, internal audit will evaluate the potential for the occurrence of fraud in each assignment and how the Council manages the risk of fraud.

2.5 Scope of internal audit activities

The scope of internal audit work includes:

- The entire control environment of the Council, comprising financial and non-financial systems.
- Reviewing controls that protect the interests of the Council in its dealings with partnerships in which the Council has an involvement.

Internal audit may also provide assurance services to parties outside the Council with the prior agreement of the Business Efficiency Board.

RESOURCING & DELIVERY OF INTERNAL AUDIT

3.1 Resource requirements

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:

- Key financial systems
- Risk management and governance arrangements
- Front line services
- Support services
- Procurement and contract management activity
- Information management arrangements
- Anti-fraud and corruption arrangements
- Schools

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 previously agreed recommendations are implemented
- Provision of advice and consultancy to internal customers

3.2 Delivery of the internal audit service

The 2017/18 Internal Audit Plan will be delivered predominantly by an experienced and suitably qualified in-house team of 5.42 FTE auditors. This is a slight increase in resources from 2016/17 following some minor restructuring within the team. The level of available internal audit resource is considered sufficient to deliver a robust annual internal audit opinion to the Board.

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 opportunity arises, 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.

RESOURCING & DELIVERY OF INTERNAL AUDIT

3.3 Mitigation of any potential impairment to independence and objectivity

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

Arrangements have been established 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.

3.4 Approach to placing reliance on other sources of assurance

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.

3.5 Assurance services to other organisations

The only planned assurance service to be provided to an external party is an annual audit provided to Manchester Port Health Authority (MPHA), 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 Council has agreed a three-year SLA to provide an internal audit service to MPHA. 2017/18 represents year two of that agreement.

INTERNAL AUDIT – REPORTING ARRANGEMENTS

4.1 Distribution of internal audit reports

At the conclusion of each audit assignment, a draft report is issued to the manager responsible for the area which has been audited. A final report containing management responses to any issues identified is subsequently distributed to:

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

4.2 Overall assurance opinion

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 risk management, control and governance processes in the area audited.

The range of opinions provided in audit reports 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.

INTERNAL AUDIT – REPORTING ARRANGEMENTS

4.3 Reporting to elected members

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, performance improvement opportunities and value for money issues.

4.4 Annual Audit Opinion

An annual report is presented to the Business Efficiency Board which includes the Head of Internal Audit's overall opinion on the Council's risk management, control and governance processes. 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.

INTERNAL AUDIT PLAN – METHODOLOGY

5.1 Requirements of the Public Sector Internal Audit Standards

The PSIAS 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 Development of the Audit Plan

In developing the Audit Plan, account has been taken of:

- The Council’s risk management processes
- Senior management’s views on risk in their areas of responsibility
- The results of previous internal audit work
- Other existing sources of assurance, including the work of external audit
- New or emerging risks affecting the Council or local government as a whole
- Known changes to the Council’s business, operations, programs, systems, and controls
- The requirement to ensure sufficient and wide ranging coverage in order to provide a robust annual audit opinion
- Planned work deferred from the 2016/17 Audit Plan that is still considered a priority

5.3 Alignment of the Audit Plan to the Council’s Corporate Priorities

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 Budgeted time allocations

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.

INTERNAL AUDIT PLAN – METHODOLOGY

5.5 Timing and prioritisation of audit work

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 2016/17 that remains incomplete at year-end
- The need to prioritise the reviews deferred from the 2016/17 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 Significant interim changes to planned work

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 interim changes will be reported to the Business Efficiency Board.

SUMMARY INTERNAL AUDIT PLAN – 2017/18

Corporate Priority	Planned Days
Corporate Effectiveness & Business Efficiency:	560
Financial Management	215
People Management	40
Information Management	50
Asset Management	80
Governance	100
Anti-Fraud & Corruption	75
Children & Young People in Halton	155
Employment, Learning & Skills in Halton	10
A Healthy Halton	120
A Safer Halton	75
Halton’s Urban Renewal	55
<u>Other work:</u>	176
Contingency	98
Manchester Port Health Authority	3
Completion of outstanding 2016/17 audits	75
Total Planned Days	1151

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Financial Management				
Fees & Charges (originally planned for 2016/17)	20	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
Bank Mandates (originally planned for 2016/17)	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 (originally planned for 2016/17)	20	The Council implemented a new income management system in March 2016. This has resulted 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
Asset Valuation - Highways	15	New financial reporting requirements 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

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Adult Social Care charges	20	Implementation of Care Financials will lead to significant changes to processes in the financial assessment of social care clients.	A full system review will be carried out examining the procedures for financially assessing and invoicing social care clients.	Audit report
Business rate collection	20	From April 2017, 100% retention of business rates is being piloted across the Liverpool City Region. This consequently increases the importance to the Council of maximising the collection of business rates.	Review of collection and recovery procedures	Audit report
Bankline	10	The Council uses the NatWest's online banking service (Bankline) to get online access to real-time banking information. The service also allows the Council to make transfers or payments either immediately or scheduled for a future date.	The audit will focus on user access permissions and security settings within the Bankline system.	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			
Total	215			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
People Management				
Learning & Development (originally planned for 2016/17)	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
Apprenticeships	15	<p>The Government has introduced an 'Apprenticeship Levy' from April 2017. Employers with a UK pay bill of over £3m will be required to pay 0.5% of that pay bill into a levy. It is estimated that the levy will cost the Council approximately £300k pa.</p> <p>The Government has set a target that each local authority will have to provide 2.3% of their workforce headcount as apprenticeships. This equates to about 55 apprentices for Halton annually.</p>	The audit will examine the Council's arrangements to comply with The Apprenticeship Levy and the implementation of the Council's Apprenticeship Policy.	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Redundancy payments	10	<p>The Council operates a local protocol in regard to redundancy arrangements. The total cost of redundancies to the Council was £3.258m in 2015/16.</p> <p>There is also a requirement for the Council to report in its financial statements on the numbers of exit packages and provide details of the total cost of compulsory redundancies, voluntary redundancies and early retirements.</p>	The audit will provide assurance that redundancy processes and payment calculations are being operated in accordance with the Staffing Protocol and that appropriate arrangements exist to capture and report on compulsory redundancies, voluntary redundancies and early retirements.	Audit report
Total	40			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Information Management				
Software asset management (originally planned for 2016/17)	10	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.	The audit will examine the arrangements that the Council has established to ensure that: <ul style="list-style-type: none"> • The software environment is adequately controlled and only authorised software is in use; • Over or under-licensing of software is identified and is used to inform purchasing decisions. 	Audit report
Data Protection	20	<p>In conducting its business the Council is involved in using and processing a wide range of personal data. The manner in which this data is used is governed by The Data Protection Act, which provides strict rules known as 'data protection principles'.</p> <p>The Information Commissioner's Office (ICO) has powers to fine organisations up to £500,000 for serious breaches of the Data Protection Act.</p>	The audit will assess the Council's procedures, systems, records and activities in order to provide assurance: <ul style="list-style-type: none"> • appropriate policies and procedures are in place; • those policies and procedures are being followed; • robust arrangements exist to detect and respond to data breaches. 	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Cyber Security	20	<p>Media reports of organisations that have fallen victim to a cyber-attack are increasingly widespread. Incidents may include loss of customer data, financial loss or denial of service. The consequences of such events can lead to fines, service disruption and reputational loss.</p> <p>Increased use of technology and openness to the internet makes the Council increasingly at risk of cyber-attack</p>	The audit will examine the steps that the Council has taken to identify its cyber-risk exposures and to protect the various information assets that could be affected by a cyber-attack (such as hardware, systems, data etc.).	Audit report
Total	50			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Asset Management				
The Stadium (originally planned for 2016/17)	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 (originally planned for 2016/17)	20	The Brindley Arts Centre is a commercial trading undertaking that generates revenue of approximately £1m pa. In 2016/17 it operated 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
Property Valuations	20	<p>Keeping an accurate and up-to-date schedule of properties protects the Council from underinsurance in the event of a claim. Under-estimates of property reinstatement values could therefore potentially result in the Council having to self-fund some of the reinstatement costs in the event of a claim.</p> <p>CIPFA has also recently issued updated guidance around the requirements of International Financial Reporting Standard (IFRS) 13 for property asset valuations.</p>	The audit will examine the adequacy of the Council's arrangements for revaluing its property portfolio by reference to the updated CIPFA guidance on property asset valuation.	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Investment properties	20	Like many authorities, the Council owns a variety of investment properties. These properties are not directly involved in the delivery of a service but have been acquired over a number of years to facilitate the economic development of the borough and to generate rental income that helps support the delivery of the Council's wider corporate objectives.	The audit will review the Council's strategy in regard to the acquisition, retention and disposal of investment properties and the associated financial performance of the assets held.	Audit report
Total		80		

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Governance				
Governance Framework	15	A revised edition of the CIPFA/SOLACE publication 'Delivering Good Governance in Local Government: Framework' was published in 2016. 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.	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.	Audit Plan Regular progress reports Internal Audit Annual Report Annual Fraud & Corruption report
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 Group	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	5	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
Total	100			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Anti-Fraud & Corruption				
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.	Ongoing fraud awareness 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
Annual CIPFA Fraud & Corruption survey	5	The annual CIPFA Fraud and Corruption survey provides an overview of all fraud, bribery and corruption activity throughout the UK public sector and allows the Council to benchmark with other comparable organisations.	Internal Audit will submit the Council's survey responses and analyse the results from the survey to help better understand the areas where fraud losses could be occurring and to inform the Council's anti-fraud plans.	Headline figures from the survey will be included in the annual report to the BEB on the Council's anti-fraud and corruption arrangements.

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
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
Fraud risk assessment - Procurement Fraud	15	<p>Procurement fraud is any fraud relating to the purchasing of goods and services. It covers the entire procure-to-pay lifecycle, including fraud in the tender / bidder selection and contract award stages (e.g. illicit cartel activity or bribery of an official to influence the tendering process) as well as fraud occurring during the life of the contract (e.g. false, duplicate or double invoicing).</p> <p>The National Fraud Authority estimates that local government could be suffering losses of around £890 million a year to procurement fraud.</p>	The fraud risk assessment will involve a full audit review of the Council's procure-to-pay process evaluating the adequacy of the controls established to prevent and detect potentially fraudulent activity.	Audit report
Total	75			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Child Safeguarding	30	<p>Deficiencies and weaknesses in record keeping have been identified in government reports following a number of tragic, high profile incidents involving children in recent years.</p> <p>Good record keeping is essential in child protection, particularly with regard to children who are subject to a child protection plan, children 'in need' or who are identified as vulnerable.</p>	At the request of the Strategic Director – People internal audit will undertake monthly case file audits to provide assurance over the quality of safeguarding records.	<p>There will be a regular system of reporting to the Strategic Director – People on the results of this work.</p> <p>A summary report will also be produced for the Business Efficiency Board at year-end.</p>
Troubled Families	20	<p>This is a Government initiative involving local authorities and their partners to help turn around the lives of troubled families in England.</p> <p>Funding is available to local authorities under a payment by results model.</p>	Verification and certification work in respect of the quarterly claims to be submitted in 2017/18.	Annual audit report covering quarterly claims

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<p><u>School audits:</u> Brookvale Astmoor Ditton St Mary's All Saints Upton The Holy Spirit The Bridge The Grange Our Lady Of Perpetual Succour Fairfield Moore Murdishaw West Hale CE Halton Lodge Runcorn All Saints</p>	105	<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"> • Substantial – 4 year cycle • Adequate – 3 year cycle • Limited – Annual cycle 	<p>A standard audit programme has been developed for school audits, which is tailored to each school as required.</p>	<p>Audit report for each school</p>
Total	155			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Halton Apprentice Hub (originally planned for 2016/17)	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
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
Total		10		

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Alternative Day Services (originally planned for 2016/17)	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
Mental Health and Wellbeing (originally planned for 2016/17)	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
Leisure Centres (originally planned for 2016/17)	20	In April 2016 the Council took the management of three leisure centres back in-house.	The audit will examine the staffing, financial management and information management arrangements in operation across the three centres.	Audit report
Domiciliary and Personal Care Services	20	<p>The Council is embarking on a programme to transform domiciliary care through an outcomes based service delivery model.</p> <p>The proposed model would align the domiciliary care providers with the social care teams and involve greater interaction and involvement with the voluntary sector. As such, it will involve a different relationship with providers and presents different risks to the current delivery service model.</p>	Internal audit has been requested to be part of the project team tasked with delivering this programme and to provide challenge and advice on risk and control issues.	Advisory role

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Tele-healthcare	20	This use of remote monitoring is increasingly enabling people to lead more independent lives. The Council's use of Telehealthcare is to be expanded to help more people to be supported to live at home or in extra care housing schemes.	The audit will examine the implementation of the Telehealthcare strategy and the associated financial management arrangements. It will also examine the arrangements to measure and record the savings generated, and consider options for the wider use of this type of technology in regard to supporting people to maintain independence.	Audit report
Travellers' sites	20	The Council is responsible for the management of the permanent travellers' sites with the borough. Income is received via rental of pitches and utility charges. An additional site is due to open shortly. The last audit review of this area resulted in a limited assurance opinion being issued.	The audit will examine how the Council manages the risks associated with operating travellers' sites providing assurance that procedures are applied consistently across all sites.	Audit report
Total	120			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Trading Standards (originally planned for 2016/17)	20	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
Taxi Licensing	20	<p>The Council is responsible for the licensing and regulation of taxis within Halton. The Council must ensure that only persons who are "fit and proper" are granted a taxi driver's licence.</p> <p>Weaknesses in taxi licensing and regulatory processes at other local authorities have led to safeguarding concerns and attracted attention in the national media.</p>	<p>The audit will examine the processes for dealing with:</p> <ul style="list-style-type: none"> • taxi licences applications • taxi licence renewals • enforcement activity • record keeping • complaints made against drivers 	Audit report
Financial awareness training for social workers	10	<p>There have been a number of cases identified where social care clients have accrued large debts in respect of their care fees and have been possible victims of financial abuse.</p> <p>Capacity assessments of clients had not always been completed when they commenced receipt of care services. Some clients were later identified as lacking capacity with nobody identified to act in a legal capacity on their behalf. As such, debts in respect of their care fees remained unpaid.</p>	<p>Short training sessions will be developed to provide social workers with an improved understanding of their role in regard to the financial affairs of clients. Real examples will be used highlighting what has gone wrong in previous cases.</p> <p>The training will be developed and delivered in conjunction with the following teams:</p> <ul style="list-style-type: none"> • Debtors • Corporate Investigators • Safeguarding Team 	Training sessions

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Plant, machinery and work equipment	20	<p>The Provision and Use of Work Equipment Regulations (PUWER) 1998 was introduced to ensure safety when working with any work equipment.</p> <p>As an employer it is important that the Council:</p> <ul style="list-style-type: none"> identifies work equipment that requires a risk assessment; carries out risk assessments as required; determines whether periodic in-service inspection is required; determines the scope and frequency of the in-service inspection as required. 	The audit will review the Council's arrangements for ensuring the safety of work equipment used in the course of delivering Council services.	Audit report
Bus Subsidy Ring-Fenced (Revenue) Grant	5	The Council receives an annual revenue grant from the Department of Transport for the purpose of supporting bus services (including community transport services run under a section 19 permit), or for the provision of infrastructure supporting such services in the authority's, or a neighbouring authority's, area.	The grant conditions state that the funds can only be used for the purposes as detailed in the paragraph above and there is also a requirement to report on how the Council has made use of the devolved funds and any decision making process that followed. The Chief Executive and Chief Internal Auditor are required to sign an annual statement confirming that, to the best of their knowledge, the conditions attached to the grant have been complied with.	Grant claim audit
Total	75			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<p>Highways (originally planned for 2016/17)</p>	<p>20</p>	<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>	<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.</p>	<p>Audit report</p>
<p>Regeneration Projects (originally planned for 2016/17)</p>	<p>20</p>	<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>	<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.</p>	<p>Audit report</p>
<p>Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance)</p>	<p>5</p>	<p>In 2016/17 the Council received an allocation of £3.005m 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>	<p>Grant claim audit</p>	<p>Certification of grant claim</p>

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Local Growth Fund STEP Grant	5	In April 2015 the Council secured funding for four projects, through the Liverpool City Region Sustainable Transport Enhancements Package (STEP) Grant Fund for 2015/16 and 2016/17. The total grant funding secured was £1,223,700 for the purpose of pedestrian / cycling and junction improvements.	Grant claim audit	Certification of grant claim
Local Growth Fund Grant Claim – Silver Jubilee Bridge	5	In April 2016 the Council secured funding for the delivery of the Silver Jubilee Bridge Maintenance Scheme, through the Liverpool City Region Local Growth Fund Grant for 2015/16 to 2018/19. The total grant funding secured was £3,640,942. The main features of the proposed maintenance works focus on the strengthening of the Silver Jubilee Bridge deck and approach viaducts.	Grant claim audit	Certification of grant claim
Total	55			

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