

AUDIT REPORT - As of 25.01.16*

Directorate/Service: Audit, Risk Assessment open, Current Risk version, Risk is open, Final Risk Rating is at or greater than Low Green 1, Final Risk Rating is at or less than High Red 9

Risk	Risk Description	Impact	Risk Rating	Existing Control Measure	Treatment Description	Final Risk Rating
<i>Items in Group: 17</i>						
Failure to recognise/be aware of fraud/corruption	Failure to recognise/be aware of fraud/corruption	3	6	Anti-fraud and anti-corruption framework	Anti-fraud and anti-corruption framework and fraud response plan	6
				Financial Regulations	Financial Regulations	
				Fraud manual for Heads of Service	Fraud manual for Heads of Service	
				Money laundering policy		
				Standing Orders	Standing Orders	
				Fraud Awareness - A Guide for Managers	Fraud Awareness - A Guide for Managers	
				Countering Fraud and Corruption Staff Survey	Countering Fraud and Corruption Staff Survey	
				Fraud Response Plan	Fraud Response Plan	
				Whistleblowing policy and fraud response plan for parties contracting with the Council	Whistleblowing policy and fraud response plan for parties contracting with the Council	
				Member Code of Condu to be followed	Member Code of Condu to be followed	
Employee Code of Conduct to be followed	Employee Code of Conduct to be followed					
Failure to retain key staff with experience & skills	Failure to retain key staff with experience & skills	3	9	Employee Development interviews	Employee Development interviews	6
				Homeworking	Homeworking	
				Flexible working	Flexible working	
				Business continuity identified through process mapping	Business continuity identified through process mapping	
				Workforce Development Plan	Workforce Development Plan	

Risk	Risk Description	Impact	Risk Rating	Existing Control Measure	Treatment Description	Final Risk Rating
High Risk Recommendations not being implemented	High Risk Recommendations not being implemented	3	6	Communication process in place Escalation process for information reminders Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues Reminders for information given by email and telephone Revised Internal Audit Protocol document recirculated with Audit Plan in February 2014	Communication process in place Escalation process for information reminders Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues Reminders for information given by email and telephone Revised Internal Audit Protocol document recirculated with Audit Plan in February 2014	6
Information provided not accurate or timely	Information provided not accurate or timely	3	9	Notification of Audits given Reminders for information given by email and telephone Escalation process for information reminders Verification of the source of the information Analysis of information provided Revised Internal Audit Protocol document recirculated with Audit Plan in February 2014	Notification of Audits given 5 days in advance Reminders for information given by email and telephone Escalation process for information reminders Verification of the source of the information Analysis of information provided Revised Internal Audit Protocol document recirculated with Audit Plan in February 2014	6
Lack of co-operation from Managers	Lack of co-operation from Managers	3	6	Communication process in place Escalation process for information reminders Notification of Audits given Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues Reminders for information given by email and telephone	Communication process in place Escalation process for information reminders Notification of Audits given 5 days in advance Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues Reminders for information given by email and telephone	6

Risk	Risk Description	Impact	Risk Rating	Existing Control Measure	Treatment Description	Final Risk Rating
Lack of resources	Lack of resources to complete the audit plan	3	6	Employee Development interviews Flexible working Homeworking Reallocate audit plan to free up capacity Audit manual Agency staff used when necessary Knowledge transfer Staffing reviewed and benchmarked with other Staffordshire authorities.	Employee Development interviews Flexible working Homeworking Reallocate audit plan to free up capacity Audit manual Agency staff used when necessary Knowledge transfer Staffing reviewed and benchmarked with other Staffordshire authorities.	6
Failure to fully identify all relevant controls	Failure to fully identify all relevant controls	3	6	Access to web sites for information Audit manual CIPFA matrices Information sharing with other authorities	Access to web sites for information Audit manual CIPFA matrices Information sharing with other authorities	6
Failure to meet requirements of External Auditors	Grant Thornton taken over from AC as External Auditors wef Nov 12. Requirements of IA essentially remains the same however GT in process of compiling portfolio of IA work and outstanding audit recommendations from the AC.	3	3	Audit Plan document Improve relationships and have regular meetings between External Audit and Audit Manager Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues Statutory Officers Group	Audit Plan document Improve relationships and have regular meetings between External Audit and Audit Manager Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues Statutory Officers Group - group meets bimonthly and comprises of CEO, Monitoring Officer and S151 Officer	6
Major investigation taking priority over audit plan	Major investigation taking priority over audit plan	3	6	Agency staff used when necessary Reallocate audit plan to free up capacity Officers trained in investigation procedures Outside investigators employed as and when Investigating procedures training undertaken	Agency staff used when necessary Reallocate audit plan to free up capacity Officers trained in investigation procedures Outside investigators employed as and when Investigating procedures training undertaken	6

Risk	Risk Description	Impact	Risk Rating	Existing Control Measure	Treatment Description	Final Risk Rating
Failure to provide efficient staff capacity to deal with unplanned investigations	Failure to provide efficient staff capacity to deal with unplanned investigations	3	9	<p>New Staffordshire Chief Auditors Group Terms of Reference</p> <p>Corporate Governance issues reinforced through the Corporate Governance Working Group and associated processes</p> <p>Officers trained in investigation procedures</p> <p>Outside investigators employed as and when</p> <p>Reallocate audit plan to free up capacity</p> <p>Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues</p> <p>Investigating procedures training undertaken</p>	<p>New Staffordshire Chief Auditors Group Terms of Reference (updated to reflect shared services and potential interaction between authorities).</p> <p>Corporate Governance issues reinforced through the Corporate Governance Working Group and associated processes</p> <p>Officers trained in investigation procedures</p> <p>Outside investigators employed as and when</p> <p>Reallocate audit plan to free up capacity</p> <p>Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues</p> <p>Investigating procedures training undertaken</p>	3
Long-term sickness	Long-term sickness	3	6	<p>Homeworking</p> <p>Knowledge transfer</p> <p>Agency staff used when necessary</p> <p>Employee Development interviews</p> <p>Absence management policy</p>	<p>Homeworking</p> <p>Knowledge transfer</p> <p>Agency staff used when necessary</p> <p>Employee Development interviews</p> <p>Absence management policy</p>	3
Failure of External Audit providers to inform of changing policies and procedures	Failure of External Audit providers to inform of changing policies and procedures when satisfactory time scales to plan for alternations to service delivery are unachievable	3	9	<p>Continuing consultation and dialogue with External audit</p> <p>Improve relationships and have regular meetings between External Audit and Audit Manager</p> <p>Communication process in place</p> <p>Audit Plan document</p>	<p>Continuing consultation and dialogue with External Audit</p> <p>Improve relationships and have regular meetings between External Audit and Audit Manager</p> <p>Communication process in place</p> <p>Audit Plan document</p>	3

Risk	Risk Description	Impact	Risk Rating	Existing Control Measure	Treatment Description	Final Risk Rating
Failure to Comply with the Public Sector Internal Audit Standards (PSIAS)	Failure to Comply with the Public Sector Internal Audit Standards (PSIAS) is mandatory from 1st April, 2013.	3	3	Audit Plan document Anti-fraud and anti-corruption framework Audit manual CIPFA matrices Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues	Audit Plan document Anti-fraud and anti-corruption framework and fraud response plan Audit manual CIPFA matrices Regularly report to Audit & Risk Committee, Chair and Director of Resources (Sec 151 Officer) on capacity issues	3
Low Risk recommendations not being implemented	Low Risk recommendations not being implemented	1	4	Communication process in place Reminders for information given by email and telephone Revised Internal Audit Protocol document recirculated with Audit Plan in February 2014	Communication process in place Reminders for information given by email and telephone Revised Internal Audit Protocol document recirculated with Audit Plan in February 2014	4
Medium Risk recommendations not being implemented	Medium Risk recommendations not being implemented	1	4	Communication process in place Escalation process for information reminders Reminders for information given by email and telephone Revised Internal Audit Protocol document recirculated with Audit Plan in February 2014	Communication process in place Escalation process for information reminders Reminders for information given by email and telephone Revised Internal Audit Protocol document recirculated with Audit Plan in February 2014	4
Implementation of New Audit Management Software - PENTANNA	Failure to implement new software before old server storing existing software is decommissioned.	2	2	Use of Microsoft Office Products	If APACE fails then its likely that alternative ICT systems will be needed i.e. Microsoft Office Products.	2
Failure of APACE	Possible failure of the audit management and planning system that provides the information for the audit plan, time recording, recommendations and performance information.	2	5	Use of Microsoft Office Products	If APACE fails then its likely that alternative ICT systems will be needed i.e. Microsoft Office Products.	1

