

East Staffordshire Borough Council

Internal Audit Progress Report

March 2018



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internal audit services

1. Introduction

This report summarises the work of Internal Audit to early March 2018, in relation to the 2017/18 internal audit plan delivery.

The purpose of the report is to:

- Show progress against the audit plan;
- Summarise the key findings and conclusions arising from our work during the period;
- Provide details of planned work;
- Update on the implementation of actions agreed by management in relation to internal audit recommendations.

2. Progress summary

Delivery of the 2017/18 Internal Audit plan is progressing broadly to target, albeit with some agreed amendments and deferrals into 2018/19. Appendix 1 provides the current status of all audit assignments from the 2017/18 plan, together with the opinions we have provided in each case where appropriate.

3. Reviews completed

The following reviews have been completed and a final report issued, since the last meeting of this Committee.

Review	Status
Business Rates	Final report issued
Benefits & Council Tax Support	Final report issued
Budgetary Control	Final report issued
Grounds Maintenance Contracting	Final report issued

3. In progress

Review	Status
Creditors & Payroll key controls	Draft report issued
Anti-fraud – duplicate payments	Draft report issued
Corporate Health & Safety	Scoping/In progress
Neighbourhood Fund	Scoping/In progress
Environmental Health – selective licensing	In progress

4. Recommendation tracking

Recommendations and agreed actions are uploaded to a web-based database when reports are finalised. Managers access the system, and update status and mark actions as implemented when appropriate. The first table below sets out a summary of agreed actions, which were due to be implemented by 28/2/18. The second table shows the age of those agreed actions (based on the original date due for implementation) which are not yet complete. Members should note that the status of each action is as stated by management and not verified by Internal Audit unless a specific follow up has been undertaken.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 28/2/18	-	20	181	53	254
Implemented	-	20	163	46	229
Closed	-		15	4	19
In progress but not complete	-	-	1	3	4
Outstanding (not started)	-	-	2	-	2

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	-	2	3	5
3 – 6 months	-	-	1	-	1
Greater than 6 months	-	-	-	-	-
Total	-	-	3	3	6

As previously requested by the Committee, a summary for all agreed actions which were due for implementation by 28/2/18 and which managers have not yet recorded as fully implemented, are set out below, together with a summary of the most recent update from managers/officers responsible. As the action tracking system is based on management updates to agreed actions, this does not imply that Internal Audit has verified the status in these cases. In this case there are 6 outstanding actions:

2017/18 IT Risk Assessment – management is continuing to work to address the issue previously highlighted regarding internet use filtering, with completion now planned by the end of April.

2017/18 Business Continuity Planning – we noted that one Business Continuity Plan was in a different format to the others and management agreed to address this as part of a 12-month review of all BCPs, by the end of February 2018; action is in progress. (Low risk action)

2017/18 Council Tax and Business Rates reviews – a new inspection regime put in place had not been actioned at the time of our audits; management has advised of interim arrangements for inspections and the new regime will be implemented from April 2018. (Low risk actions)

2017/18 Millers Lane – Asset Control & Security – we noted that stock control records for 2016/17 needed to be brought up to date, and a procedure put in place to cover reconciliations of certain types of stock (for the avoidance of doubt this finding does not relate to fuel stock). Management has now committed to address these areas by the end of May 2018.

Status update – 2017/18 Audit Plan

Review	Scheduled	Status	Level of assurance (where relevant)
Budgetary Control	Jan 2018	Final report issued	Full
National Fraud Initiative	Ongoing		
Anti-fraud – Support, proactive work and review(duplicate payments)	Jan/Feb 2018	Draft report issued	
Cash & Bank	Oct 2017	Final report issued	Significant
Scrutiny review – implementation review	Deferred into 2018/19		
Creditors & payroll – key controls	Jan/Feb 2018	Draft report issued	
Dove Way/Pennycroft – disposal - assurance	Deferred into 2018/19		
Taxi licensing	Deferred into 2018/19		
Benefits / Council Tax Support	Dec 2017	Final report issued	Significant
Council Tax	Oct 2017	Final report issued	Significant
Business Rates	Nov 2017	Final report issued	Significant
Debtors & Debt Recovery	Sept 2017	Final report issued	Significant
Main Accounting	Oct 2017	Final letter issued	Full

Review	Scheduled	Status	Level of assurance (where relevant)
Treasury Management	Aug 2017	Final letter issued	Full
IT Risk Assessment	Aug/ Sept 2017	Final report issued	N/A
Planning applications processing	Potentially deferred into 2018/19		
Business Continuity Planning	July 2017	Final report issued	Significant
Town Centre Regeneration Initiative – programme assurance	Deferred into 2018/19		
Homelessness/Housing Options	Sept 2017	Final report issued	N/A
Asset control/security - Millers Lane	Aug/ Sept 2017	Final report issued	Significant
Project support/assurance – Culture/leisure options	Ongoing		
Corporate Health & Safety	Mar/April 2018	Scoping/in progress	
Neighbourhood Fund	Mar/April 2018	Scoping/in progress	
Project support/assurance - Accommodation Review	Ongoing		
Grounds Maintenance contracting	Dec 2017/Jan 2018	Final report issued	Significant
Environmental Health – selective licensing	Mar/April 2018	In progress	
Environmental Health – public safety	Jul – Sept 2017	Final report issued	Significant
Contingency – for additional reviews/follow ups as required	To be agreed		

Review	Scheduled	Status	Level of assurance (where relevant)
External assurance/compliance reviews – eg Disabled Facilities Grants, pensions – to Staffordshire County Council	As required	Pensions assurance – work completed, certification provided	N/A