

East Staffordshire Borough Council

Internal Audit Progress Report

June 2020



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1. Introduction

This report summarises the work of Internal Audit to the end of May 2020, in relation to the 2019/20 internal audit plan delivery and the progress made in respect of the 2020/21 internal audit plan.

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; and
- Update on the implementation of actions agreed by management in relation to internal audit recommendations.

2. Progress summary

Appendix 1 provides the current status of all audit assignments from the 2019/20 plan, and currently-planned timings, together with the opinions we have provided in each case where appropriate.

There are three reports which have been issued to the Revenue and Benefits Manager for discussion, however at the time of writing the team is processing the Business Support Grants in relation to the current Covid 19 pandemic. These reports will be finalised at the earliest opportunity.

The debtors and debt recovery audit is currently on hold for the same reasons as stated as above and will be concluded at the earliest opportunity.

The planned audits were slightly amended by agreement with management to enable consideration of additional areas (grant claims referred to at Appendix 1) and the deferrals/delays due to Covid 19.

3. Reviews completed

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

Review	Status
Creditors (incl duplicate payments review)	Final report issued (Full assurance)
Councillors Induction	Final report issued (no opinion provided)
MTFS and Budgetary Control	Final report issued (Full Assurance)
Payroll	Final Report issued (Significant Assurance)
Leisure Contract Monitoring	Final Report issued (Significant Assurance)
IT Disaster Recovery Planning	Final Report issued (Significant Assurance)
Arts Grant Claim	Certification completed (no opinion provided)
Washlands Grant Claim	Final report issued (no opinion provided)

4. In progress

Review	Status
Council tax	Draft report issued
Business Rates	Draft report issued
Benefits/Council Tax Support	Draft report issued
Procurement & Contract Management	Draft report issued
Debtors/Debt Recovery	In progress
Registers of Interests, Gifts and Hospitality and Inventories	Draft report issued
Business Support Grants (2020/21)	In progress

5. 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 1/6/20. 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 1/6/20	-	28	239	88	355
Implemented	-	28	221	83	332
Closed	-	-	16	4	20
In progress but not complete	-	-	2	1	3
Outstanding (not started)	-	-	-	-	-

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

As previously requested by the Committee, a summary for all agreed actions which were due for implementation by 1/6/20 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 such cases.

2018/19 Waste Management – This issue relates to wheelie bin stock control which is linked to the Bartec system upgrade. The Bartec system is due to go live in March 2020 with wheel bin stock due to be added at a later date with the implementation date being revised to 30th June 2020.

2018/19 Food Safety – This issue relates to the registration of new food businesses. The council has signed up to the Food Standards Agency registration process and is awaiting implementation and implementation date being revised to October 2020.

2019/20 DFG Procedures – This issue related to the development of formal procedures for the DFG awards, works and payments to provide clear guidance on the processing and management of DFG awards. The draft procedures have been developed and now are expected to be finalised and completed by the end of July 2020.

2020/21 Internal Audit Plan

The draft internal audit plan has been submitted separately to the committee for approval at this meeting following the cancellation of the meeting in March 2020.

Indicative timings to reflect the current Covid 19 pandemic situation have been and will continue to be reviewed as the year progresses. Engagement letters have been developed for the audits planned in quarters 1 and 2 and are in the process of being agreed with the relevant Heads of Service.

One of the reviews in relation to Covid 19 Business Support Grants has commenced and is currently in the process of being completed.

Status update – 2019/20 Audit Plan

Review	Scheduled	Status	Level of assurance (where relevant)
Budgetary Control & Medium Term Financial Planning	January-March 2020	Final report issued	Full
National Fraud Initiative	Ongoing		N/A
Anti-fraud – Support, pro-active work and review-duplicate payments review	October – December 2019	Final report issued	N/A
Human Resources	October - December 2019	Final report issued	Full
Capital Project assurance	Ongoing		
Procurement and contract management	Oct – Dec 2019	Draft report issued	
Registers of interests/gifts and hospitality/inventories	April – May 2020	Draft report issued	
Councillor induction	September 2019 onwards	Final report issued	N/A
Capital disposals assurance – Dove Way/Pennycroft Lane; Bargates.	Deferred to 2020/21		
Creditors	October – December 2019	Final report issued	Full
Payroll – key controls	October – December 2019	Final report issued	Significant
Pensions Assurance	October 2019	Certification issued	N/A
Benefits / Council Tax Support	October – December 2019	Draft report issued	

Review	Scheduled	Status	Level of assurance (where relevant)
Council Tax	October – December 2019	Draft report issued	
Business Rates	October – December 2019	Draft report issued	
Debtors & Debt Recovery	October – December 2019	In progress	
Financial Systems – key controls	September 2019	Final report issued	Full
Waste Management – Smarter Waste	January-March 2020	Deferred to 2020/21	
Digital Strategy	October – December 2019	Final report issued	Significant
IT Disaster Recovery planning	October – December 2019	Final report issued	Significant
Street Cleaning	January -March 2020	Scoping	
Disabled Facilities Grants (including assurance to external funders)	July – September 2019	Final report and certification issued	Significant
Building Services Contract	May – June 2020	In progress	
Leisure contract monitoring	September 2019 onwards	Final report issued	Significant
Brewhouse	July-September 2019	Final report issued	Significant
Markets	April-June 2019	Final report issued	Significant
Cemeteries	July-September 2019	Final report issued	Significant
Enforcement	October – December 2019	Deferred	

Review	Scheduled	Status	Level of assurance (where relevant)
Arts Grant Claim	February / March 2020	Certification provided	N/A
Washlands Grant Claim	February – March 2020	Final Report issued	N/A