

East Staffordshire Borough Council

Internal Audit Progress Report

December 2020



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1. Introduction

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

2019/20 Internal Audit Plan

Appendix 1 provides the current status of all audit assignments from the 2019/20 plan together with the opinions we have provided in each case where appropriate. This includes revised timings with management and deferrals and delays due to Covid 19.

2020/21 Internal Audit Plan

Appendix 1 provides the current status of all audit assignments from the 2020/21 plan together with the opinions we have provided in each case where appropriate. We have liaised with management and reviewed the timings of some of the audits in the plan to allow for delays due to Covid 19 and allow the completion of the business support grant and other Covid19 related assurance work.

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 (20/21 unless stated)	Status
Key Financial Systems	Final Report issued (Full Assurance)
Payroll	Final Report issued (Full Assurance)
Disabled Facilities Grants	Final Report issued (Significant Assurance) and certification provided
Grounds Maintenance and Horticulture	Final Report issued (Significant Assurance)

4. In progress

Review (20/21 unless stated)	Status
Business Support Grants	In Progress
Revenues and Benefits	In progress
Safeguarding	In progress (Draft Report Issued)
Debtors and Debt Recovery	In progress
Car Parking	In progress
Facilities – Statutory responsibilities	In progress
Corporate Training	In progress
Creditors	In progress
Anti-fraud – Duplicate payments review	In progress
2019/20 Building Services Contract	In Progress
2019/20 Debtors & Debt Recovery	In Progress (Draft Report Issued)

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 1/12/20. 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 1/12/20	-	28	245	92	365
Implemented	-	28	223	86	337
Closed	-	-	16	4	20
In progress but not complete	-	-	6	1	7
Outstanding (not started)	-	-		1	1

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	-	5	1	6
3 – 6 months	-	-	-	-	-
Greater than 6 months	-	-	1	1	2
Total	-	-	6	2	8

As previously requested by the Committee, a summary for all agreed actions which were due for implementation by 1/12/20 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 was due to go live in March 2020 with wheelie bin stock due to be added at a later date with the implementation date being revised to 30th June 2020. Due to delays relating to Covid 19 management have advised this work is now aimed for completion in quarter 4 of 2020/21.

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. The relevant manager has advised that there is currently have a robust process for new premises applications which are in accordance with the food law code of practice. The sign up to the FSAs business registration scheme will be completed but due to current covid commitments this is not currently a priority. April 2021 is now proposed for completion.

2019/20 Council Tax

Inspections – we noted that property inspections needed to be completed as planned. The Revenues Inspector is currently only conducting urgent visits compliant with current COVID rules. This will be regularly revised when Government rules change. (This issue also relates to Business Rates)

Single Person Discounts – we noted the need for evidence of review of this discount. The Discount Review contract has been implemented and a Single Person Discount review commenced August 2020. The residual cases are still being worked on.

Council Tax Suspense Accounts – we noted some housekeeping work still needed to clear the account. The Revenues Team Leader will ensure that these transfers are conducted quarterly from December 2020.

Tracing CT payers who have 'absconded' – we noted that work needed to be done to carry out a number of these traces to enable relevant action to be taken. The team are currently in the process of collating information of accounts at 'Trace' ready to pass to Enforcement Agents to find forwarding addresses. They have engaged Northgate to provide processing support on cases that come back with forwarding addresses. Any accounts that come back with no forwarding address may be put forward for consideration to write off. A similar position applies in relation to Business Rates.

2019/20 Business Rates

Inspections – see above.

Tracing ratepayers – see above.

Status update – 2019/20 Audit Plan

Review	Scheduled	Status	Level of assurance (where relevant)
Procurement and contract management	Oct – Dec 2019	Final Report issued	Significant
Registers of interests/gifts and hospitality/inventories	April – May 2020	Final report issued	Full
Benefits / Council Tax Support	October – December 2019	Final report issued	Significant
Council Tax	October – December 2019	Final report issued	Significant
Business Rates	October – December 2019	Final report issued	Significant
Debtors & Debt Recovery	October – December 2019	Draft report issued	
Street Cleaning	January -March 2020	Deferred to Q3/4 2020/21	
Building Services Contract	May – June 2020	In progress	
Enforcement	October – December 2019	Not being completed – time being utilised to support Business Grant Support audits	

Status update – 2020/21 Audit Plan

Review	Scheduled	Status	Level of assurance (where relevant)
Budgetary Control and Medium Term Financial Planning	January – March 2021		
National Fraud Initiative	As required	Ongoing	
Anti-fraud – Support, pro-active work and review-Duplicate payments	November/December 2020	In progress	
Capital Project assurance (including grant claims)	As required	Under discussion	
Capital disposals assurance – Dove Way/Pennycroft Lane; Bargates. Creditors	Oct 2020 (interim) and Jan – March 2021	Interim review completed	
	November/December 2020	In progress	
Payroll – key controls	November/December 2020	Final Report issued	Full
Pensions Assurance	October 2020	Not required*	
Stronger Towns Fund	To be agreed	Not being completed – time being utilised to support Business Grant Support Audits / other work at the request of management	
Small Business Fund	To be agreed		
Corporate Training	September 2020	In progress	
Project Assurance	As required		
Revenues and Benefits	December 2020 onward	In progress	

Review	Scheduled	Status	Level of assurance (where relevant)
Debtors & Debt Recovery	December 2020 onward	In progress	
Financial Systems – key controls	September – December 2020	Final Report issued	Full
Waste Management - Contamination	July – September 2020	Final report issued	Significant
Waste Management - Smarter Waste	January – March 2021		
Disabled Facilities Grants (including assurance to external funders)	August 2020 start	Final Report issued	Significant
CCTV	June 2020 start	Final report issued	Significant
Leisure contract monitoring (capital)	July 2020 start	Final report issued	Full
Facilities Statutory responsibilities	September 2020 start	In progress	
Climate Change	To be agreed		
Safeguarding	July 2020 start	Draft Report issued	
Car parking	September 2020 start	In progress	
Horticulture / Grounds Maintenance	July 2020 start	Final report issued	Significant
Business Support Grants	July 2020 start	In progress	

* Staffordshire County Council confirmed that the pension certification is not required this year due to the covid 19 pandemic and assurances will be obtained as part of the year end processes.