

INTERNAL AUDIT PROGRESS REPORT

Head of Service:	Gillian McTaggart, Head of Policy, Performance & Governance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Southern Internal Audit Partnership Internal Audit Progress Report 2020/21, May 2021

Summary

This report summarises final progress made against the Internal Audit Plan 2020/21.

Recommendation (s)

The Committee is asked to:

- (1) receive the final internal audit progress report from Southern Internal Audit Partnership for 2020/21 attached at Appendix 1.

1 Reason for Recommendation

- 1.1 This Committee has overall responsibility for audit and governance frameworks, including the functions of an audit committee.
- 1.2 The Committee receives regular internal audit progress reports which update the Committee on progress made against the audit plan and the outcomes of individual audits.

2 Background

- 2.1 Southern Internal Audit Partnership (SIAP) was appointed as the Council's internal auditors from 1 April 2019 for a period of four years. As of the end of March 2021, SIAP completed two full years with the Council.

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- 2.2 The Internal Audit Plan 2020 – 2021 was endorsed by this Committee on 19 November 2020. The plan was due to be reported to this Committee in April 2020 however the meeting was cancelled due to the pandemic. In the plan's developmental stages, SIAP re-engaged with the Leadership Team in July order to ensure that new risks and challenges for the Council arising from its response to the COVID-19 pandemic were reflected; SIAP identified a number of new emerging risks relating to COVID-19. The revised draft plan was approved by the Leadership team in July 2020.
- 2.3 Over the course of 2020/21 the Committee has received two internal audit progress reports from SIAP. Since the last report in April 2021 further significant progress has been made against the plan. Due to increased pressures on officers, mainly associated with the Council's response to the COVID-19 pandemic, some audits did experience some delay.
- 2.4 Currently eight audit reports have been finalised. A further eight audits are at draft report stage. [SIAP is in the process of finalising these for committee]. The Parking & Enforcement audit has yet to be finalised. Although at the close of audit stage, the outcome of this audit will be reported to the Committee in SIAP's first Internal Audit Progress Report of 2021/22. Work on auditing our submissions to the Local Government Compensation Scheme (LGCS) has been completed for two of the three submissions.
- 2.5 Throughout the year, the Internal Audit Plan 2020/21 has remained flexible in order that the Council can react to a changing environment and needs. No changes have been made to the plan since the last report to Committee in April 2021.
- 2.6 A full update on the Audit Plan 2020/21 is provided in the table below and in SIAP's Internal Audit Progress Report 2020/21 (*Draft Discussion*) attached at Appendix 1.

Audit Assignment	Current Position of Audit	Assurance Opinion	Management Actions		
			H	M	L
Programme and Project Management	Final Report (Reported to Committee 15 June 2021)	Reasonable		3	

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Audit Assignment	Current Position of Audit	Assurance Opinion	Management Actions		
			H	M	L
Financial Resilience	Draft Report	Substantial	-	-	-
COVID-19 Business Support Grants	Final Report (Reported to Committee 15 June 2021)	Reasonable			3
Local Government Compensation Scheme (LGCS)	Review and sign off has taken place for claims 1 and 2.	N/A – grant certification			
Health & Safety (COVID-19)	Final Report (Reported to Committee 8 April 2021)	Reasonable		1	
COVID-19: Emergency Response & Recovery	Final Report (Reported to Committee 8 April 2021)	Reasonable		1	
Decision Making & Accountability	Final Report (Reported to Committee 15 June 2021)	Substantial		1	
Housing Benefits	Final Report (Reported to Committee 15 June 2021)	Substantial			2
Accounts Payable	Final Report (Reported to Committee 15 June 2021)	Reasonable		5	1
Payroll	Final Report (Reported to	Reasonable	-	-	-

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Audit Assignment	Current Position of Audit	Assurance Opinion	Management Actions		
			H	M	L
	Committee 15 June 2021)				
Cyber Security	Final Report (Reported to Committee 15 June 2021)	Reasonable		4	3
Disaster Recovery & IT Business Continuity	Draft Report	Awaiting management response			
Parking & Enforcement	Close of Audit Meeting				
Homelessness	Final Report (Reported to Committee 15 June 2021)	Reasonable		6	
Disabled Facilities Grants	Final Report (Reported to Committee 15 June 2021)	Limited	3	9	1
Development Management	Final Report (Reported to Committee 8 April 2021)	Reasonable		5	
Community Safety	Final Report (Reported to Committee 15 June 2021)	Reasonable		1	2
Epsom & Walton Downs Conservators Account	Complete	N/A			

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- 2.1 The Head of Internal Audit has issued his opinion on the adequacy and effectiveness of the Council's internal control environment 2020/21 based on the audits completed in the year (item included elsewhere on the Agenda).
- 2.2 One high priority management action remains outstanding from the Building Control audit . This relates to the reconciliation of fees between the Uniform system and the general ledger.
- 2.3 Further details on the latest position of each all this overdue actions are provided by SIAP in Annex 1 of its report.

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

3.1.1 None for the purposes of this report.

3.2 Crime & Disorder

3.2.1 None for the purposes of this report.

3.3 Safeguarding

3.3.1 None for the purposes of this report.

3.4 Dependencies

3.4.1 The Chief Internal Auditor issues an Annual Internal Audit Report & Opinion for 2020-21 on completion of the year. This report is a critical document that will be used in preparing the Annual Governance Statement 2020-21 included in the Statement of Accounts.

3.5 Other

3.5.1 None for the purposes of this report.

4 Financial Implications

- 4.1 There are no financial implications within this report.
- 4.2 **Section 151 Officer's comments:** None arising from the contents of this report.

5 Legal Implications

- 5.1 None for the purposes of this report.

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5.2 **Monitoring Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

6.1.1 Effective Council – Engaging, responsive and resilient.

6.1.2 Green & Vibrant – A better place to live where people enjoy their surroundings.

6.1.3 Safe & Well – A place where people feel safe, secure and lead healthy, fulfilling lives.

6.1.4 Opportunity & Prosperity – A successful place with a strong, dynamic local economy where people can thrive.

6.1.5 Smart & Connected – Alive and connected socially, economically, geographically and digitally.

6.1.6 Cultural & Creative – A centre for cultural and creative excellence and inspiration.

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** no relevance for the purposes of this report.

6.4 **Sustainability Policy & Community Safety Implications:** no relevance for the purposes of this report.

6.5 **Partnerships:** not applicable.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Internal Audit Plan 2020-21, Audit, Crime & Disorder and Scrutiny Committee 19 November 2020.
- Internal Audit Progress Report, Audit, Crime & Disorder and Scrutiny Committee 19 November 2020.

Other papers:

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- Southern Internal Audit Partnership, Internal Audit Plan 2020/21-2022/23