

Oadby & Wigston Borough Council

Internal Audit Progress Report

February 2020



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1. Introduction

This report summarises the work of Internal Audit for the period to the middle of February 2020. The purpose of the report is to update the Audit Committee on progress made in delivering the 2019/20 audit plan and to update in relation to management's implementation of internal audit recommendations.

2. Progress summary

This is the third progress report for 2019/20. Following some staffing issues that have now been resolved, delivery to date is slightly behind the expected progress required at this stage of the audit plan. We do not however anticipate any difficulties in providing sufficient audit coverage to facilitate submission of our annual Head of Internal Audit Opinion in accordance with the timescale required by the Council.

3. Reviews completed since last report

The following reviews have been completed and final reports agreed with management:

Review	Level of assurance
Software Asset Management	Significant
Council Tax	Significant
Business Rates	Significant
Benefits / Council Tax Support	Significant
Safeguarding	Moderate

At the request of the Committee at its February 2014 meeting, and as subsequently agreed with the Chair of this Committee, to ensure members are provided with further detail only on issues which may warrant their concern, we only report specific findings, recommendations and agreed actions arising from our finalised audits where these relate to matters we deemed to be high risk/priority.

Safeguarding

Our audit highlighted the need for the Council to take the following actions:

- ensure that the assessment of the need for DBS checks on employees, and the performance of such checks where deemed necessary, are fully documented and safely retained for appropriate access.
- seek assurance from the grant aided organisations that it funds that safeguarding legislation is being complied with, and the need for this compliance is reflected in contracts.
- continue to seek assurance from Social Care on the quality of referrals.

4. Recommendation tracking

We provide a system for tracking the implementation of agreed Internal Audit recommendations as a management assurance tool for the Council and specifically this Committee. Managers are responsible for updating actions taken and other key information directly on the system. The first table below represents the status of agreed actions due to be implemented by 29/02/20 for all recommendations raised since 1st April 2015. Previous reports to the Committee have included all recommendations raised since 1st April 2011, but this has now been re-set to 1st April 2015 in order to provide a more current position on the implementation of recommendations raised. The second table outlines the age of the outstanding recommendations (based on the original date due for implementation). The status shown in general is as advised by the relevant manager/Head of Service and does not imply that Internal Audit has verified the status in all cases.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 29/02/20	-	76	210	44	330
Implemented	-	72	198	44	314
Closed (e.g. superseded or system changed)	-	3	2	-	5
Still to be completed	-	1	10	-	11

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	-	9	-	9
3 – 6 months	-	1	1	-	2
Greater than 6 months	-	-	-	-	-
Total	-	1	10	-	11

We provide below details of all outstanding 'high risk' issues. We normally also provide details of medium risk' issues outstanding for more than 6 months, but on this occasion there are none showing on the tracking system. Where such cases reported at the last meeting are not shown here, management has recorded the actions as implemented in the intervening period. The Committee will be advised in future progress reports if our follow up work finds that any such cases are not in fact fully implemented.

'High Risk' outstanding issues (1)

Review	Recommendation	Risk Rating	Current status
18/19 Risk Management	Management should put in place and obtain necessary approvals for a risk management framework to govern and formalise required approaches and processes for managers and staff to follow in relation to identifying, documenting and reporting on risks and their management.	High	Whilst the risk management audit that is currently being delivered has confirmed that action has been taken to review the Strategic Risk Register and to compile some service area risk registers, there remains a requirement for the Council to document a formal risk management strategy/policy to regulate and standardise the approach to managing risk throughout the organisation.

5. 2019/20 Internal audit plan

Review	Scheduled Start/Finish	Status	Level of assurance
Performance Management	Quarter 4	In progress	
Risk Management	Quarter 4	In progress	
Capital Programme	Quarter 4	In progress	
Procurement	Quarter 4	In progress	
Anti-Fraud and Corruption	Quarter 2/3	Completed	Advisory
Budgetary Control/MTFS	Quarter 3/4	In progress	
Financial systems (ledger, creditors, debtors, treasury management, income management & cash receipting-key controls	Quarter 3	Fieldwork complete	
IT Application Security	Quarter 2	Draft report issued	
Software Asset Management	Quarter 2	Final report issued	Significant
Website Content Management	Quarter 2	Deferred to April 2020 at management request	
Payroll & Expenses	Quarter 4	In progress	

Review	Scheduled Start/Finish	Status	Level of assurance
HR – Agency Workers	TBA	Delayed until new HR Manager commences role	
Council Tax	Quarter 3	Final report issued	Significant
Business Rates	Quarter 3	Final report issued	Significant
Benefits/Council Tax Support	Quarter 3	Final report issued	Significant
Housing Rents	Quarter 4	Fieldwork complete	
Housing Strategy	TBA	In discussion with Head of Built Environment	
Housing Repairs, Maintenance & Voids	Quarter 4	In progress	
Safeguarding	Quarter 2	Final report issued	Moderate
Follow-up	Ongoing		
Recommendation Tracking – Targeted Follow Up Exercise	Quarter 1/2	Completed	Advisory

TBA = To be agreed

6. Strategic Internal audit plan 2020/21 – 2022/23

An exercise has recently commenced to identify audit subjects to be included in the 2020/21 plan and the following two years. Key finance and income systems will continue to be audited as in previous years; with other audits being identified through review of the Strategic Risk Register and input from the Senior Leadership and Corporate Management Teams. A fully documented Strategic Internal Audit Plan will be presented for approval to the June 2020 meeting of the Audit Committee, but initial discussions have identified the following areas that could be considered for inclusion in 2020-21:

- Taxi Licensing
- Selective Licensing (Houses in Multiple Occupation)
- Contract Register
- Procurement Governance
- HR Policies
- Asset Management
- Housing - Programme Maintenance (focusing on statutory safety compliance)
- Vehicle Management
- Volunteer Programme
- Commercial Property Investment
- Shared Services

Members of the Audit Committee are invited to discuss and comment on other potential risk areas that would benefit from internal audit coverage, either during the 2020-21 year, or to be programmed into the Strategic Audit plan over the course of the following two years.