

Oadby & Wigston Borough Council

Internal Audit Progress Report

September 2020



Bringing public value to life

cw audit
internal audit services

1. Introduction

This report summarises the work of Internal Audit for the period to the end of August 2020. The purpose of the report is to update the Audit Committee on progress made in delivering the 2020/21 audit plan.

2. Progress summary

This is the first progress report for 2020/21. Despite the disruption caused by the COVID-19 pandemic, we have made good progress towards delivering the plan and we do not anticipate any difficulties in delivering or full programme of work for 2020/21. Section 5 of this report provides a summary of the current status of all audits included on the 2020/21 plan.

3. Reviews completed since last report

Review	Key issues	Level of assurance
Risk Management	<ul style="list-style-type: none">Time available in the 20/21 audit plan to review the Council's risk management arrangements has been utilised to work closely with the Senior Leadership Team (SLT) to facilitate the production of a formal Opportunity Risk Management Policy. This will be used to provide a framework to regulate the Council's overall approach to risk management. A final draft of the Policy has now been issued to the SLT pending formal approval and roll-out.	N/A

Review	Key issues	Level of assurance
Contract Register	<ul style="list-style-type: none"> • Ensure all service managers are aware of their responsibility to inform the Law & Democracy service of contracts entered into with suppliers over £5000. • Implement a formal process to ensure that the Contract Register is updated on an ongoing basis to include all contracts, purchase orders and other legally binding agreements with suppliers with a value in excess of £5000. • Ensure that the Register is publicly available on the Council's website. • Implement arrangements to utilise the Register as a tool for contract management. 	Limited

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
The format of the contract register complies with the practitioner's guide issued by the Local Government Association on the publication of contracts information in accordance with the Transparency Code 2015.		✓			
The contract register contains a complete, accurate and current record of all contract information required.				✓	
There is a robust process in place to identify contracts that are due to end in sufficient time to allow for re-tender or contract extension negotiations (where this is permissible).				✓	
Contract management roles are clearly defined and allocated to responsible officers.			✓		
The Contract Register is published in accordance with the requirements of the Transparency Code.				✓	

Review	Key issues	Level of assurance
Honorarium / Acting-Up Arrangements	<ul style="list-style-type: none"> The Deputy Chief Executive requested an independent view from Internal Audit on the extent to which the Honorarium/Acting-Up Policy had been followed in respect of some specific additional payments made to staff. The audit confirmed management's view that the policy had not been correctly applied in a number of areas. Lessons have subsequently been learned to ensure that the Policy is correctly applied on future occasions. 	N/A

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 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 31/08/20 for all recommendations raised since 1st April 2019. The second table outlines the age of the outstanding recommendations (based on the original date due for implementation). The status shown 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 31/08/20	-	8	35	13	56
Implemented / Closed	-	8	28	9	45
Still to be completed	-	0	7	4	11

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	0	6	4	10
3 – 6 months	-	0	0	0	0
Greater than 6 months	-	0	1	0	1
Total	-	0	7	4	11

We normally provide additional information on overdue 'high risk' issues, but there are none to report on this occasion. There is one 'medium risk' issue outstanding for more than 6 months, which is included in more detail in the following table. 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.

'Medium risk' issue overdue for more than six months from original implementation date

Review	Recommendation	Risk	Original target date	Revised target date	Current status
Council tax	Regular running and review of report showing exemptions and discounts.	3	31/1/20	1/11/20	Delayed by impact of COVID-19 on workloads.

5. 2020/21 Internal audit plan

Review	Scheduled	Status	Level of assurance
Risk Management	Quarter 1/2	Complete	N/A
Financial Management & Reporting	Quarter 3/4	Scope agreed	
Creditors	Quarter 3/4	Scope agreed	
Debtors	Quarter 3/4	Scope agreed	
Treasury Management	Quarter 3/4	Scope agreed	
Contract Register	Quarter 1	Final report	Limited
IT Audit – Website Content Management	Quarter 2	In progress	
Payroll	Quarter 3/4	Scope agreed	
Agency Workers	Quarter 2	In progress	
Business Support Grants (SBGF & RHLGF)	Quarter 2	In progress	
Discretionary Business Grants	Quarter 2	In progress	
Local Lockdown Grants	Quarter 3		
Waste Management	Quarter 2	Fieldwork complete	
Private Sector Housing – Enforcement	Quarter 2/3	Scope agreed	
Housing Allocations – Choice Based Lettings	Quarter 2/3	Scope agreed	
Housing Repairs & Maintenance	Quarter 4		
Honorarium/Acting-Up Arrangements	Quarter 1	Final report issued	N/A
Follow-up	Ongoing		