

REPORT TO:		Audit Committee	
DATE:		26 June 2023	
PORTFOLIO:		Councillor Peter Britcliffe - Deputy Leader of the Council, Resources	
REPORT AUTHOR:		Mark Beard – Head of Audit & Investigations	
TITLE OF REPORT:		AUDIT REPORTS & KEY ISSUES – PROGRESS REPORT FOR THE PERIOD FEBRUARY 2023 – MAY 2023	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	n/a

1. **Purpose of Report**

- 1.1 To inform members of the Audit Reports issued during the period February 2023 – May 2023 and bring to the attention of the Committee what the key issues were.

2. **Recommendations**

- 2.1 I recommend that Audit Committee:
- note the content of this report for informational purposes.

3. **Reasons for Recommendations and Background**

- 3.1 This report crosses financial years and covers the period of February 2022 to July 2022. The audit areas and any key issues detailed at Appendix 1.
- 3.2 Members should be aware that the number of audit reports that are issued between each Committee meeting is subject to variation dependent on the size of the audit and any non-routine audit work, such as investigations, that the Team may be involved in. Therefore, for the purpose of reporting, only the audit reports fully completed, issued and agreed will be included.
- 3.3 Any investigations that may be carried out will not be included as a matter of routine in this report, particularly if they relate to a specific individual or individuals.

- 3.4 There was a target of 98% of the audit plan to be completed by the end of 2022/23 financial year in terms of audit days completed.

Position as at end of March 2023 = 90.01% of the plan completed

- 3.5 The position at the end of March 2022 can be broken down as follows:-

Month	% of the Plan Completed that Month
April 2022	7.09%
May 2022	7.25%
June 2022	5.41%
July 2022	7.86%
August 2022	9.50%
September 2022	6.47%
October 2022	7.97%
November 2022	8.22%
December 2022	5.32%
January 2023	8.52%
February 2023	8.20%
March 2023	8.20%

- 3.6 Whilst the team was 7.99% below the target for the year, this did not have a material effect on being able to produce an Audit Opinion for the year. Key factors contributing to the shortfall were additional bank holidays granted, sickness and bereavement leave.

- 3.7 With regards to 2022/23 there is a target of 98% of the audit plan to be completed by the end of the current financial year in terms of audit days completed. As the audit team complete timesheets which then feed into the audit plan, it is possible to state the progress to date and the projected end of year position if that date is extrapolated out. Therefore:-

Position as at end of May 2023 = 12.91% of the plan completed
Projected out-turn position for 2023/24 = 77.48% of the plan completed

- 3.8 The position at the end of June 2022 can be broken down as follows:-

Month	% of the Plan Completed that Month
April 2023	5.61%
May 2023	7.30%

4. Alternative Options considered and Reasons for Rejection

- 4.1 Not applicable as the report is for informational purposes only.

5. **Consultations**

- 5.1 No consultations required as this report is based on data and information held by the audit team based on the work completed.

6. **Implications**

Financial implications (including any future financial commitments for the Council)	There are no financial implications arising from this report
Legal and human rights implications	There are no legal or human rights implications arising from this report.
Assessment of risk	Risks are taken into consideration during the audit process itself, there is no direct risk implication from this report.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	This report is produced for information awareness of the progress of the Audit Team against the annual Internal Audit Plan. The Audit Planning process has had an equality impact assessment which remains valid and it is not necessary to update this with a Customer First Analysis at this time. The individual audit assignments may, in some cases, feed into the needs of equality and diversity issues within individual service areas of the Council

7. **Local Government (Access to Information) Act 1985:** **List of Background Papers**

- 7.1 No background papers were necessary for the preparation of this report.

8. **Freedom of Information**

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

APPENDIX 1

AUDIT COMMITTEE – 26 June 2022

Summary of the main issues arising from audits carried out February 2023 – May 2023

Internet / Email:-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

Due to the need to ensure network security, only a brief synopsis of the actions agreed is included.

- New staff induction list will include the email policy and reference to the mandatory Cyber Security training module.
- Cyber Security refresher training for all staff to increase awareness of the ever present and newly emerging risks.
- Consideration to the use of other software and techniques to raise awareness of all users of data security and cyber-attacks.

Officers Imprests:-

Audit Assurance Opinion Issued:- Comprehensive assurance

The work undertaken showed a sound system of internal control which is designed to meet the service objectives, in addition the work carried out showed controls are consistently being applied.

- No issues arising.

Construction (Design & Management):-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

- It was agreed that the current Construction (Design & Management) Regulations Policy would be reviewed to ensure that it remains up to date.
- Management will give consideration to reporting back to Safety Committee on the progress of the Council Central Reporting System for all Council Properties..

Lyndon Park Development:-

Audit Assurance Opinion Issued:- Comprehensive assurance

The work undertaken showed a sound system of internal control which is designed to meet the service objectives, in addition the work carried out showed controls are consistently being applied.

- No issues arising.

Commercial Rents & Leases:-

Audit Assurance Opinion Issued:- Comprehensive assurance

The work undertaken showed a sound system of internal control which is designed to meet the service objectives, in addition the work carried out showed controls are consistently being applied.

- No issues arising.

Bank Reconciliation:-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

- Management agreed to a new procedure to balance the bank statement / civica pay to the General Ledger on a monthly basis and it was agreed that the receipts account reconciliations for 2022/23 are balanced to the general ledger.
- It was agreed that all monthly bank reconciliations would be electronically signed by the Principal Accountant and this information would be saved.
- It was agreed that the procedures in relation to the receipts account are updated to reflect the civica pay bank reconciliation module.

Energy Bills Rebate Scheme:-

Audit Assurance Opinion Issued:- Comprehensive assurance

The work undertaken showed a sound system of internal control which is designed to meet the service objectives, in addition the work carried out showed controls are consistently being applied.

- No issues arising.

Asset Management:-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

- A Terrier Mapping System is in place but the Estates Manager has not had training on using this. It was agreed with Management that training would take place as this would benefit both the Estates Manager and the function as a whole.