

Report of:	Chief Internal Auditor & Risk Manager
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Report Track:	Audit & Governance Cttee: 29/03/22

Audit & Governance Committee
29 March 2022
Internal Audit Progress Report January 2022

1 Purpose of Report

- 1.1 To present to the Audit & Governance committee for information a progress report on the work of Internal Audit.

2 Recommendation(s)

- 2.1 That the Committee notes the progress report.

3 Key Issues and Reasons for Recommendations

Key Issues

- 3.1 Attached is a progress report showing the audits which have been issued between 1st April 2021 and 31st January 2022.

Reasons for Recommendations

- 3.3 The report has been prepared for Members' information.

4 Relationship to Corporate Priorities

- 4.1 The system of internal control is a key element of the Council's corporate governance arrangements which cuts across all corporate priorities.

5 Report Detail

- 5.1 This report is a summary of the Internal Audit work between 1st April 2021 and 31st January 2022 and is a report of progress against the revised audit plan.
- 5.2 The work completed against the revised plan is progressing well and we are on track to complete the majority of the plan by the end of the year.

Item No. 4.2

- 5.3 The report is a snapshot view of the areas at the time that they were reviewed and does not necessarily reflect the actions that have been or are being taken by managers to address the weaknesses identified. The inclusion or comment on any area or function in this report does not indicate that the matters are being escalated to Members for further action. Internal Audit routinely follow-up the recommendations that have been made and will bring to the attention of the committee any relevant areas where significant weaknesses have not been addressed by managers.
- 5.4 The table below gives a summary of the level of assurance for each of the audits completed in the period 1st October 2021 to 31st January 2022. More detailed information on each of the reports issued is contained in Appendix 1.

Number of Audits	Assurance	Definition
3	Substantial ✓	All High (Red) and Medium (Amber) risks have appropriate controls in place and these controls are operating effectively. No action is required by management.
1	Partial ▲	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. The residual risk score for the affected Medium risks are six or below. Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.
0	Limited !	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. The residual risk score for the affected Medium risks are nine or higher. Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.
0	No Assurance ✘	One or more High (Red) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. Immediate action is required by management to address the weaknesses identified in accordance with the agreed action plan.
1	N/A	One piece of work was issued where it was not appropriate to issue an Assurance due to the narrow scope of the work.

- 5.5 Appendix 2 lists the audits that were in progress but had not been completed to draft report stage by the end of the quarter.

- 5.6 Appendix 3 shows the follow-ups that have been issued in the period. At the time of the follow-up on audit area had been revised from Limited to Partial and 3 Remained Partial. A decision has been taken not to carry out any further follow-ups for the three areas which remained partial.

6 Implications

6.1 Financial

None

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

None

6.5 Equality & Diversity

None

6.6 Climate Change

None

7 Appendices to the Report

Appendix 1: Progress Monitoring

Appendix 2: Audits Completed by 31 January 2022

Appendix 3: Audits in Progress at 31 January 2022

Appendix 4: Follow-ups completed by 31 January 2022




Progress Monitoring


Number of Audits in Plan for 2021-22	Audits Completed to Draft	Audits In Progress	Percentage of Plan In Progress or Completed to Date
27	11	12	85.2%

Level of Assurance	No Assurance	Limited	Partial	Substantial	N/A
Number of Audits Issued in Year to Date	0	0	6	3	2

N/A is where the nature of the review did not enable an opinion to be issued on the area under review. This is normally where the focus is narrow or where a project is at an early stage of progress.

Audits Completed 1 October 2021 to 31 January 2022



Audit	Head of Service	Status	Number of High/Medium Recommendations	Assurance	Comments & Key Issues
Leisure Open Book and Recovery Arrangements and Monitoring	Environment & Healthy Lifestyles	Final	5	Partial 	<ul style="list-style-type: none"> Minutes were not taken for all contract monitoring meetings Performance Information provided by the Contractor had not been subjected to review or independent validation Quarterly payments had not been paid on in accordance with the agreed schedule within the contract. The 2021/22 Management Fee was not agreed in accordance with the schedule, it is recommended that discussions for future years are started earlier to ensure all relevant discussion and where necessary variations can be agreed prior to the contractual date for setting the Management Fee wherever possible.
Climate Change Actions/Group	Environment & Healthy Lifestyles	Final	0	Substantial 	The assurance recognises the work to date including setting a baseline and starting to develop an action plan. However, it is recognised that significant work is still required in this area including the production of a costed action plan
Development Control & Enforcement	Environment & Healthy Lifestyles	Final	0	Substantial 	



Audit	Head of Service	Status	Number of High/Medium Recommendations	Assurance	Comments & Key Issues
Local Enterprise Partnership & Combined Authority	Environment & Healthy Lifestyles	Final	0	Substantial 	
Property/Asset Management Major Works (Rugeley Pool & Boiler, MSCP Demolition, Civic Offices Toilets, Boardwalk, Elmore Park)	Economic Development	Interim Memo	0	N/A	Limited progress had been made with the majority of the projects at the time of the review, so the main review has been deferred. Work had progressed well with the Rugeley Pool but due to the nature of the Council's involvement supporting IHL who had carried out an initial procurement it was not deemed appropriate to offer an assurance for this area at the time of the interim report.




Audits in Progress at 31 January 2022

Audit	Head of Service
Economic Growth Projects - <ul style="list-style-type: none"> • Stadium Phase 2, • Levelling Up Fund Application 	Economic Prosperity
IT Records & Document Retention	Technology
Treasury Management	Finance
Business Grants	Economic Development / Finance
Housing Benefits	Finance
Council Tax	Finance
National Non-Domestic Rates	Finance
Car Park Cashless Payments	Environment & Healthy Lifestyles
Housing Consumer Standards Compliance	Housing & Partnerships
Payroll	HR
IT Asset Management	Technology
Waste - Biffa Arrangements	Environment & Healthy Lifestyles

Follow-ups Completed 1 October 2021 to 31 January 2022

Audit	Head of Service	Original Assurance	High/Medium Risk Recommendations				Revised Assurance	Comments & Key Outstanding Recommendations
			Implemented	In Progress	Not Implemented	Total		
Street Cleansing 2 nd Follow-up	Environment & Healthy Lifestyles	Partial 	5	2	1	8	Partial 	<p>Two recommendations are in progress but have not been completed these are -</p> <ul style="list-style-type: none"> • Work is still ongoing to review the specification and working practices to make the service more mobile. However, covid has impacted on the time available to do this work • There has been limited progress in relation to documenting the working practices as this is dependent on the completion of the review of working practices which has not been completed. <p>The outstanding action related to moving to the employees recording their own time and overtime claims rather than the Streetscene supervisor collating the information onto timesheets for them.</p> <p>This area will not be followed-up again until the next full review.</p>

Audit	Head of Service	Original Assurance	High/Medium Risk Recommendations				Revised Assurance	Comments & Key Outstanding Recommendations
			Implemented	In Progress	Not Implemented	Total		
Fleet Management & Vehicle Workshop	Environment & Healthy Lifestyles	Partial 	1	8	0	9	Partial 	<p>At the time of the follow-up work was in progress but not completed for eight of the recommendations.</p> <ul style="list-style-type: none"> • Work is ongoing to produce a Fleet Management Strategy including documenting all roles and responsibilities • Work is ongoing to determine a policy decision relating to drivers' eye tests • Operation procedures are being drafted for the Fleet Management and Workshop functions • Spend analysis and market testing is still required for the provision of supplies and services. • Work is ongoing to improve the efficiency of worksheets and job cards to reduce duplication of data entry. • Work is ongoing to move payments for items such as road tax to alternative methods than cheques • A Health & Safety Inspection needs to be progressed for the workshop <p>This area will not be followed-up again until the next full review.</p>

Audit	Head of Service	Original Assurance	High/Medium Risk Recommendations				Revised Assurance	Comments & Key Outstanding Recommendations
			Implemented	In Progress	Not Implemented	Total		
Utilities Management 2 nd Follow-up	Economic Development	Limited 	0	6	0	6	Partial 	<ul style="list-style-type: none"> • Work is ongoing with a plan to complete the Energy Strategy by April 2022. • Procedures are being produced to meet the requirements of the Energy Strategy; these will include relevant performance indicators. • A detailed action plan is being developed to deliver the Council's Energy Strategy. • Work is ongoing to see if performance can be improved once an Asset Management Database has been implemented.
Partnerships & CCTV 3 rd Follow-up	Housing & Partnerships	Partial 	1	1	0	2	Partial 	<ul style="list-style-type: none"> • Work is ongoing to update the business continuity arrangements for CCTV. <p>This area will not be followed-up again until the next full review.</p>