

## AUDIT COMMITTEE

**DATE OF MEETING:** 27 OCTOBER 2020

**TITLE OF REPORT:** INTERNAL AUDIT PROGRESS REPORT 2020/21

**Report of:** Internal Audit Manager

**Cabinet Member:** Councillor James Radley, Finance and Corporate Services

### 1. PURPOSE OF REPORT

1.1 To update the Committee on Internal Audit work Carried Out between July 2020 and October 2020.

### 2. OFFICER RECOMMENDATION

2.1 That the Internal Audit work completed between July 2020 and November 2020 be noted.

### 3. BACKGROUND

3.1 Internal Audit prepares a risk based plan which identifies the work that is to be carried out during the year. The plan for 2020/21 is a reduced one, taking into account the impact of COVID-19 has had on internal audit work. The plan was approved by the Committee in July 2020.

3.2 Progress on internal audit reviews is shown below:

Area of Review	Current Status	Target Completion Date
IT Controls	In progress	Nov 20
Fraud Risk Assessment	Complete	
Accounts Receivable	In progress	Nov 20
Payroll	Not yet started	Dec 20
Council Tax & Business Rates	Not yet started	Dec 20
Cash Management	Complete	
Housing Benefits	Not yet started	Feb 21
Treasury Management	In progress	Nov 20
Accounts Payable	Not yet started	Jan 21
Main Accounting	Not yet started	Jan 21
Waste Contract	Not yet started	Feb 21
Section 106 Agreements	In progress	Nov 20
Audit Committee Request on payments	Complete	

**4. CONSIDERATIONS**

**4.1 Planned Work**

During the period between July 2020 and November 2020 reports were issued for:

- Fraud Risk Assessment
- Cash Management
- Payments Review (During Council response to COVID -19)

**4.2 Unplanned Work**

Resources from Internal Audit have been used to complete the Business Grants Payment process. Although the scheme has now closed in terms of payments being made, there are still a number of Government Returns that need to be completed each week and the reconciliation of funds will also need to be carried out.

**4.3 Fraud**

4.4 We have carried out a number of post Business Grant payment checks to identify potential frauds. We have prevented at least one fraudulent payment being made and have also identified 3 payment errors that are now being corrected, where appropriate action will be taken to recover the grant paid.

4.5 We are currently preparing data that will be sent to the National Fraud Initiative, this is a national data matching exercise. Any data matches that are identified as a potential fraud will require follow up by either Internal Audit or Capita’s Fraud Team.

**5. Risk Management**

5.1 Internal Audit continue to facilitate the risk management process to ensure there are effective arrangements in place to manage risk. A summary is shown below:

Requirement	How Achieved	Effectiveness
Corporate Risk Register in place and reviewed	Corporate Risk Register is in place.  The content of the register was reviewed by Leadership Team in October 2020.	Good level of assurance

	Content of the risk register was reported to Overview and Scrutiny in October 2020.	
Operational Risk Registers linked to Service Plans	<b>Corporate Services</b> – Risk Register in place <b>Community Services</b> Risk Register in place <b>Tech Services</b> In Progress <b>Place</b> No progress made	Partial Assurance  Issue raised in Annual Governance Statement
Risk clearly identified in key decision making process	Risks are included in Cabinet Reports for key decisions.	Good level of assurance
Regular reviews by management of both Corporate Risk Register	Corporate Risk Register is reviewed in line with Audit Committee dates..	Good level of assurance
Ownership of risks that are identified	Ownership of each risk is clearly identified.	Good level of assurance
Risk Management Policy in place	Revised policy was adopted in March 18. Policy reviewed Feb 20.	Good level of assurance

## 6. FINANCIAL AND RESOURCE IMPLICATIONS

6.1 There are no direct financial implications arising from this report.

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### APPENDICES

Appendix 1 – Fraud Risk Assessment

Appendix 2 – Cash Management

Appendix 3 - Payments Review in response to COVID-19

