

AUDIT COMMITTEE

DATE OF MEETING: 24 MAY 2022

TITLE OF REPORT: INTERNAL AUDIT PROGRESS REPORT Q4

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 March and May 2022.

2. OFFICER RECOMMENDATION

- 2.1 That the Internal Audit work completed between March 2022 and May 2022 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 was approved by the Committee in March 2021. The plan for 2021/22 is a reduced one, considering the impact of COVID-19 has had on internal audit work and the reduction in Internal Audit resource.

- 3.2 Three audit reports were issued between March 2022 and May 2022:

- Payroll – Appendix A
- Treasury Management – Appendix B
- Waste Management - Appendix C

- 3.3 Six audits are currently in progress:

- Financial Resilience
- Council Tax/NNDR (Local Taxation)
- Shapley Heath
- Main Accounting
- Housing Benefit
- Planning Performance

All audits in the 2021/2022 audit plan have now commenced.

- 3.4 Progress on internal audit reviews is shown below:

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Audit	Planned	Scope agreed	Fieldwork in progress	Fieldwork complete	Draft report Issued	Expected completion dates	Completed	Notes
Housing Benefit	Carry over from 2020/21	Yes	Yes	Yes	Yes	n/a	Report Issued August 2021	
Complaints	Q1	Yes	Yes	Yes	Yes	n/a	Report Issued October 2021	
Fraud Risk Assessment	Q1	Yes	Yes	Yes	Yes	n/a	Report Issued November 21	
IT Controls	Q1	Yes	Yes	Yes	Yes	Dec 2021	Report Issued February 2022	
Waste Management	Q2	Yes	Yes	Yes	Yes	May 2022	Report Issued May 2022	
Grounds Maintenance /Street Cleaning	Q2	Yes	Yes	Yes	Yes	Jan 2022	Report Issued February 2022	
Financial Resilience	Q2	Yes	Yes	Yes		June 2022		Draft being reviewed
Accounts Payable	Q2	Yes	Yes	Yes	Yes	Dec 2021	Report Issued January 2022	

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Accounts Receivable	Q2	Yes	Yes	Yes	Yes	Dec 2021	Report Issued January 2022	
Main Accounting	Q2	Yes	Yes			July 2021		
Disabled Facilities grants	Q2	Yes	Yes	Yes	Yes	n/a	Report issued November 21	
Planning Performance	Q2	Yes	Yes			July 2022		
Council Tax and NNDR	Q3	Yes	Yes	Yes	Yes	July 2022		Further testing being undertaken
Treasury Management	Q4	Yes	Yes	Yes		Mar 2022	Report Issued April 2022	
Payroll	Q4	Yes	Yes	Yes	Yes	Mar 2022	Report Issued May 2022	
Housing Benefit	Q4	Yes	Yes			July 2022		
Shapley Heath	Q4	Yes	Yes	Yes		May 2022		Testing near completion Verbal update to be given at Audit Committee May 2022

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Procurement	Q1 22-23	Yes						
Fleet Pond Management	Q1 22-23	Yes						

4. CONSIDERATIONS

4.1 Planned Work

During the period between March 2022 and May 2022 three reports were issued for:

- Payroll
- Treasury Management
- Waste Management

4.2 Unplanned Work

Resources from Internal Audit continue to be used to complete business grant post assurance checks and to complete the Test and Trace reconciliation and post assurance work.

4.3 Follow Ups

All high-risk recommendations are followed up with the responsible officer to ensure that the proposed action has been taken.

Progress of any actions taken are documented. If no progress has been made this will then be escalated.

A summary of the follow up work is shown below.

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Audit	Issue	Responsible Officer	Due date	Status
Disabled Facilities Grant	The disabled facilities grant process is not complying with the council's contract standing orders.	Head of Community	March 2022	This is in progress We have researched what is happening across Hampshire, and all local authorities operate in the same way as Hart, on the basis that there is no contractual relationship between the local authority and the service user. The issue has been raised at the county wide Housing Advisory Group and is still under discussion. meanwhile, Head of CS & Head of Corporate have met to discuss, and Head of Corporate is seeking legal opinion on the procurement issue.

4.4 FRAUD

- 4.5 Meetings continue to take place with officers to ensure that fraud risks are captured on the service risk registers.
- 4.6 Post Assurance checks for all LRSG grants paid November 2020 to March 2021 and Omicron Hospitality and Leisure grants are now complete and reported to Business, Energy & Industrial Strategy (BEIS).
- 4.7 Post Assurance checks for the Restart scheme are currently being worked on and will be submitted in line with the prescribed deadline.
- 4.8 Post Assurance checks will be completed on the Additional Restrictions Scheme (ARG) once guidance from BEIS is received.
- 4.9 Fraud cases referred to the DWP continue to be monitored by the Capita Fraud team.
- 4.10 One allegation of Fraud has recently been investigated. No further action is expected from the final report.

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.
- 5.2 Heads of Service have been reminded to ensure that any risks identified in the 2022/23 service plans are added to the service risk registers.
- 5.3 Key service risks are reported to service panels and summaries of these reports are reported to Overview & Scrutiny.

6. FINANCIAL AND RESOURCE IMPLICATIONS

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

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APPENDICES

Appendix A – Payroll

Appendix B – Treasury Management

Appendix C – Waste Management