



Three Rivers District Council Audit Committee Progress Report 8 July 2021

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 25 June 2021
- Approve amendments to the Audit Plan at as 25 June 2021
- Agree changes to the implementation dates for 8 audit recommendations (paragraph 2.5) for the reasons set out in Appendices 3 to 5
- Agree removal of implemented audit recommendations (Appendices 3 to 5)

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1. Introduction and Background

Purpose of Report

- 1.1 This report details:
- a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's annual audit plan for 2021/22 as at 25 June 2021.
 - b) Proposed amendments to the approved 2021/22 Annual Audit Plan.
 - c) Implementation status of all previously agreed audit recommendations from 2018/19 onwards.
 - d) An update on performance management information as at 25 June 2021.

Background

- 1.2 The work of internal audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.
- 1.3 The 2021/22 Annual Audit Plan was approved by Audit Committee on 23 March 2021.
- 1.4 The Audit Committee receives periodic updates on progress against the Annual Audit Plan from SIAS, the most recent of which was brought to this Committee on 23 March 2021.

2. Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 25 June 2021, 20% of the 2021/22 Audit Plan days had been delivered (calculation excludes unused 'To Be Allocated'). Appendix A provides a status update on each individual deliverable within the audit plan.
- 2.2 The following 2020/21 reports have been finalised since March 2021 Audit Committee.

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Budget Monitoring	Mar '21	Good	None

Main Accounting	Apr '21	Satisfactory	Four medium
Payroll	Apr '21	Good	Four low
Climate Change & Sustainability	Apr '21	Satisfactory	One medium
Homelessness Reduction Act	Apr '21	Good	None
Treasury Management	Jun '21	Good	None
Council Tax	June '21	Satisfactory	One medium One low
Revenues Payments	June '21	Satisfactory	One medium One low
Benefits	June '21	Satisfactory	One medium
Debtors	Jun '21	Satisfactory	Two medium One low

No 2021/22 audits have yet been finalised.

All Priority Audit Recommendations

2.3 Members will be aware that a Final Audit Report is issued when agreed by Management. This includes an agreement to implement the recommendations made. It is SIAS's responsibility to bring to Members' attention the implementation status of recommendations; it is the responsibility of officers to implement the recommendations by the agreed date.

2.4 The table below summarises progress in implementation of all outstanding internal audit recommendations at 25 June 2021, with full details given in appendices 3 to 5:

Year	Recommendations made No.	Implemented	Not yet due	Outstanding & request made for extended time or no update provided	Percentage implemented %
2018/19	38	37	0	1	97%
2019/20	37	30	1	6	81%
2020/21	20	14	5	1	70%
2021/22	0				

2.5 Since March 2021 Audit Committee, extension to implementation dates have been requested by action owners for 8 recommendations as follows:

a) One from the 2018/19 Benefits audit,

- b) Three from the 2019/20 Property (rent and lease administration) audit,
- c) One from the 2019/20 Taxi Licensing audit,
- d) One from the 2019/20 Risk Management audit,
- e) One from the 2019/20 Benefits audit, and
- f) One from the 2020/21 Garage Income audit.

Proposed 2021/22 Audit Plan Amendments

- 2.6 There are no proposed changes to the 2021/22 Audit Plan to bring before this meeting of the Audit Committee.

Performance against Targets

Reporting of Audit Plan Delivery Progress

- 2.7 To help the Committee assess the current situation in terms of progress against the projects in the 2021/22 Audit Plan, an analysis of agreed start dates is shown at Appendix 2. Dates have been agreed with management and resources allocated accordingly.
- 2.8 The 2021/22 Annual performance indicators and targets were approved by the SIAS Board in March 2021. Actual performance for Three Rivers District Council (including the Shared Services Plan) against the targets that are monitored in year is set out in the table below.

Performance Indicator	Annual Target	Profiled Target to 25 June 2021	Actual to 25 June 2021
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excluding unused contingency).	95%	22% (50 / 223 days)	20% (44 / 223 days)
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects (excludes 2018/19 completion and 'ongoing' pieces).	95%	13% (2 out of 15 projects to draft)	7% (1 out of 15 projects to draft)
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level.	100%	100%	100%
4. Number of High Priority Audit Recommendations agreed	95%	95%	N/A (none made in 2020/21 audits)

2.9 In addition, the performance targets listed below are annual in nature. Performance against these targets will be reported in the 2021/22 Head of Assurance's Annual Report:

- **5. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting, then the plan should be prepared for the first meeting of the civic year.
 - **6. Head of Assurance's Annual Report** – presented at the Audit Committee's first meeting of the civic year.
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APPENDIX 1 INTERNAL AUDIT PLAN 2021/22 – UPDATE ON POSITION AS AT 25 JUNE 2021

2021/22 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Key Financial Systems									
Revenues and Benefits (shared services plan)						30		0	
Finance (shared services plan)						25		0	
Payroll (shared services plan)						12		0	
Operational Audits									
Arts Council Recovery Fund Grant						5	Yes	5	Complete
Data Protection						8		0	
Complaints Handling						8		0	
DFG Capital Grant Certification						2		0	
Equalities and Diversity						7		0	
FM Building Compliance						8		0	
Payroll System (shared services plan)						10	BDO	1	In Planning
Private Sector Rented Accommodation						7	Yes	6	In Quality Review
Section 106						8		0	
Contract Management									
Leisure Contract						12	Yes	11	In Quality Review
Contract Spend						8		0	

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AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Shared Learning / Joint Reviews									
Shared Learning / Joint Reviews						4		0	
IT Audits									
Cyber Security (shared services plan)						15		0	
To Be Allocated									
Unused Contingency (shared services plan)						0		0	
Follow-Up Audits									
Follow-up of outstanding audit recommendations						8		2	Through Year
Strategic Support									
2022/23 Audit Planning						5		0	
Annual Governance Statement						3		3	Complete
Audit Committee						9		1	Through Year
Head of Internal Audit Opinion 2020/21						3		2	In Progress
Monitoring and Client Meetings						9		2	Through Year
SIAS Development						3		3	Complete
2020/21 Projects Requiring Completion									

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AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
2020/21 Projects Requiring Completion (6 days TRDC plan / 8 days shared services plan)						14		8	In Progress (1 day TRDC / 7 days shared services plan)
TRDC TOTAL						123		36	
SHARED SERVICES TOTAL						100		8	
COMBINED TOTAL						223		44	

Key to recommendation priority levels:

- C = Critical
- H = High
- M = Medium
- L = Low

APPENDIX 2 2021/22 AUDIT PLAN PROJECTED START DATES

Apr	May	Jun	July	Aug	Sept
	Private Sector Rented Accommodation In Quality Review	Leisure Contract In Quality Review		Data Protection	Revenues and Benefits Audits
	Arts Council Culture Recovery Fund Grant Certification Complete	New Payroll System In Planning			DFG Grant Certification

Oct	Nov	Dec	Jan	Feb	Mar
Finance Audits	Payroll	Cyber Security (shared services plan)	FM Building Compliance	Complaints Handling	
	Equalities & Diversity		Section 106	Contract Spend	