

### Audit Progress

At the Audit & Governance Committee meeting in February 2021 the Committee agreed an outline plan for the section for 2021/22, but due to a reduction in current resource available a revised plan was provided in July 2021.

As advised to the Committee previously, the global Covid-19 crisis caused a significant impact on the Council and its operations (through 2020 and into 2021). Work has been undertaken in the following areas:-

<u>Code</u>	<u>Title</u>	<u>Work performed</u>
RE03	Main Accounting	<ul style="list-style-type: none"> <li>• Annual key controls testing has been completed (no issues to report)</li> <li>• Update of CIPFA Financial Management Code compliance self-assessment</li> <li>• Investigation of options for future provision of external audit services (for Interim Financial Services Manager)</li> </ul>
RE04	Purchase Ledger	<ul style="list-style-type: none"> <li>• Annual key controls testing has been completed (no issues to report)</li> </ul>
RE08	Payroll	<ul style="list-style-type: none"> <li>• Annual key controls testing in progress (no issues to report)</li> <li>• Monthly joiner and leaver checking progressed (and 2020 work caught up)</li> <li>• Checking of redundancy calculations, as required</li> </ul>
CS1	Housing Benefit (& Council Tax Reduction)	<ul style="list-style-type: none"> <li>• Annual key controls testing has been completed (no issues to report)</li> <li>• Review of E&amp;Y results from Housing Benefit Subsidy Claim certification work and preparing summary report for A&amp;GC (July 2021)</li> </ul>
CS17	Council Tax	<ul style="list-style-type: none"> <li>• Annual key controls testing has been completed (write-off policy to be updated)</li> </ul>
CS18	NDR	<ul style="list-style-type: none"> <li>• Annual key controls testing has been completed (write-off policy to be updated)</li> <li>• Liaison with Revenues and review of Government, NFI, NAFN, etc. communications on Covid-19 Business Support Grants (mandatory schemes all now closed)</li> <li>• Liaison with Revenues and conducting post-payment assurance checks on claims / payments made to meet BEIS requirements</li> <li>• Monitoring weekly grant payments made and advising Finance to ensure grant scheme payments are appropriately recorded in the G/L</li> </ul>

		<ul style="list-style-type: none"> <li>• Provision of documentation to BEIS in respect of their sample testing request, in conjunction with Revenues. (Mandatory grants for March-July 2020 were paid through the Northgate system)</li> <li>• Reconciliation of multiple grant schemes in liaison with Revenues and Finance and notification to BEIS</li> <li>• Review of data matches on March-July 2020 grants received from the National Fraud Initiative</li> </ul>
CS19	Income: Sundry Debtors	<ul style="list-style-type: none"> <li>• Annual key controls testing has been completed (write-off policy updated)</li> </ul>
CS12	Information Technology	<ul style="list-style-type: none"> <li>• Liaison with ICT staff in respect of Council cybersecurity risk assessment and security measures</li> <li>• Liaison with ICT staff on lessons from ransomware attacks at other Councils</li> <li>• Liaison with ICT staff on revisions to relevant pages for the new website</li> </ul>
CS13	Information Technology – Physical Security & Disaster Recovery	<ul style="list-style-type: none"> <li>• Liaison with Neighbourhood Services staff regarding the progress of Council Business Continuity Planning (BCP) arrangements and documentation</li> </ul>
CP01	Partnerships	<ul style="list-style-type: none"> <li>• Liaison with Group Head of Policy in respect of her work on progressing the partnerships register (from past audit work) prior to her report to the Audit &amp; Governance Committee in November 2021</li> </ul>
CP02	Information & Data Governance	<ul style="list-style-type: none"> <li>• Ongoing liaison with Information Governance staff regarding data protection</li> <li>• Chairing periodic meetings of the Information Security Group</li> </ul>
PR07	FMS Support / Replacement	<ul style="list-style-type: none"> <li>• Liaison with Finance and ICT on progress of FMS upgrade and hosting (now in place)</li> </ul>
PR09	Digital Arun Project	<ul style="list-style-type: none"> <li>• Ongoing liaison on progress of the Council's digital strategy</li> </ul>
PR12	Covid-19 Work	<ul style="list-style-type: none"> <li>• Ongoing liaison / miscellaneous activities relating to Council operations and controls in light of Covid-19 crisis in 2020-22</li> <li>• Assisting Finance in preparing submissions for central government (MHCLG and BEIS)</li> <li>• Risk assessments and post-payment assurance test plans prepared for Covid grants distributed, as required by the BEIS</li> <li>• Post-payment assurance testing on documentation held in support of grant payments, etc.</li> <li>• Reconciliation of closed grant schemes between Ascendant system and G/L and reporting to BEIS and Finance</li> <li>• Submission of business support grants (March-July 2020) data to HMRC to meet Statutory Notice requirements</li> <li>• Review of BEIS documentation, attending webstreams, etc. to ensure that Council understands and complies with requirements on the multiple grant schemes (e.g. eligibility, checking, reporting and</li> </ul>

		<p>reconciliation requirements). This became increasingly complex with the speed of change involving different schemes for national lockdowns, Tiers, targeted payments, etc. although all schemes are now closed (except for the discretionary Additional Restrictions Grant which runs until March 2022)</p> <ul style="list-style-type: none"> <li>• Liaison with Revenues and Economy staff in respect of new grants announced in December 2021 (Omicron Hospitality &amp; Leisure and ARG Top-Up)</li> <li>• Liaison with Revenues in respect of Covid Additional Restrictions Fund (CARF) scheme (discretionary business rate relief to be applied to NDR accounts)</li> <li>• Chief Internal Auditor / Chief Executive declaration for Restart Grants for submission to BEIS</li> <li>• Liaison with S151 Officer on other grant declarations for submission to BEIS</li> </ul>
CP03 MS01	Corporate Governance Annual Governance Statement	<ul style="list-style-type: none"> <li>• Annual review of compliance against the Council's local Code of Corporate Governance</li> <li>• Preparation of the updated Annual Governance Statement and review by Governance &amp; Risk Group</li> <li>• Draft AGS published on website with draft Accounts and provided to external audit</li> <li>• Final AGS to be published with the audited Accounts (now due at A&amp;GC 22/2/22). Some minor updates have been made and the final version provided to Leader and CEO for signature <b>Reviewed by G&amp;R Group and CMT 6/21</b> <b>Reported to A&amp;GC 29/7/21 (draft)</b></li> </ul>
MS03	RIPA	<ul style="list-style-type: none"> <li>• Advice provided to service areas in respect of queries concerning possible use of surveillance, whether this would fall within the scope of the RIPA legislation and other options available</li> <li>• Officer training is an outstanding issue from the last Inspection Report and has been delayed by Covid restrictions</li> </ul>
MS04	NFI	<ul style="list-style-type: none"> <li>• The NFI Council Tax Single Person Discount reports were received in December 2020. Review of these has been progressed on a sample basis (using a new risk score added by the Cabinet Office) and queries referred to Revenues who have written to account holders and re-billed where deemed appropriate</li> <li>• Reports for the main 2-yearly NFI exercise were received in February and review has been progressed (except for benefits items which were passed to R&amp;B)</li> <li>• Reports for the Covid-19 grant schemes (March-July 2020) received and reviewed</li> <li>• Further file of Covid-19 grants (post-November 2020) provided to Cabinet Office</li> <li>• Further data matches from HMRC data have been received in late 2021 and review is progressing</li> <li>• The next Council Tax Single Person Discount files are due to be provided to the Cabinet Office at the start of December 2021</li> </ul>

CP04	Risk Management	<ul style="list-style-type: none"> <li>Update of Strategic Risk Register via Governance &amp; Risk Group in 10/21 for the A&amp;GC in November <b>Reported to A&amp;GC 16/11/21</b></li> </ul>
IN02 CP05	Fraud & Corruption Fraud & Corruption	<ul style="list-style-type: none"> <li>Compilation of data for publication to meet Government Data Transparency Code requirements</li> <li>Preparation of Annual Counter-Fraud Report <b>Reported to A&amp;GC 29/7/21</b></li> <li>Submission of annual CIPFA Fraud &amp; Corruption Tracker survey</li> <li>Consideration of various CIPFA and NAFN communications on increased fraud risks during the pandemic period</li> <li>Review / update of Council's fraud operational risk register</li> <li>Preparation of risk of fraud (ISA240) letters for external audit</li> </ul>
PL03	Strategic Housing	<ul style="list-style-type: none"> <li>Review of old business case and documentation for Trisanto – input to requirements provided to consultants for external review as requested by the Director of Place</li> </ul>
PL06	Economic Regeneration	<ul style="list-style-type: none"> <li>Liaison regarding administration of Covid-19 Discretionary Grant Fund / fraud checking (first lockdown)</li> <li>Liaison regarding adoption and administration of County-wide scheme for Additional Restrictions Grant (discretionary scheme runs until March 2022), which now allows use for 'wider business support' schemes which have been approved by the Economic Committee</li> <li>Monitoring weekly grant payments made and advising Finance to ensure grant scheme payments are appropriately recorded in the G/L</li> <li>Provision of documentation to BEIS in respect of their sample testing request, in conjunction with Economy Group</li> <li>Consideration of reports / updates on regeneration projects, tourism, etc.</li> </ul>
CP06	Ethical Leadership / Behaviour	<ul style="list-style-type: none"> <li>Annual review and update of 'checklist' (first used in 2019 audit) largely complete and will then be passed to CMT for review (12/1/22)</li> </ul>
CP09	Environmental / Green issues	<ul style="list-style-type: none"> <li>Review of external guidance on green agenda and Council progress towards its priority aims</li> </ul>
CP10	Resource Management	<ul style="list-style-type: none"> <li>Identification of agency and contract staff, including agencies / companies used and rates, in liaison with HR</li> </ul>
CP13	Grants & External Funding	<ul style="list-style-type: none"> <li>Testing to ensure that grant conditions have been met where sign-off from Chief Internal Auditor and Chief Executive required (e.g. Test &amp; Trace Self-Isolation Support Payments)</li> <li>Review of query regarding subsidies on the Council's Levelling-Up Fund bid (for Director of Place)</li> </ul>

CS03	Housing Finance	<ul style="list-style-type: none"> <li>Annual key controls testing has been completed (no issues identified)</li> </ul>
MS06	Follow-Up Review	<ul style="list-style-type: none"> <li>Liaison with service areas in respect of actions on outstanding audit points</li> </ul>
LI02	Member Liaison / Committees	<ul style="list-style-type: none"> <li>Consideration of information in respect of change to 'committee system' of governance from May 2021 and its operation post-May</li> <li>Consideration of changes to A&amp;GC future workplan and new Corporate Committee Work Programme</li> </ul>
TP02	Officer Group Representation	<ul style="list-style-type: none"> <li>Chairing meetings of the Information Security Group and liaison with members on progress</li> </ul>
AD02	Business Planning	<ul style="list-style-type: none"> <li>Investigation of options for the future provision of an internal audit service for consideration by CMT and reported to Interim Group Head and FSM</li> <li>Information obtained from Hampshire CC Procurement and potential service providers</li> </ul>