

### Audit Progress

At the Audit & Governance Committee meeting of 14 February 2019, the Committee agreed an outline plan for the section for 2019/20.

Since the plan was provided to the Committee, 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>• Self-assessment of Council arrangements / financial resilience against CIPFA's draft (consultation version) Financial Management Code commenced</li> <li>• (E&amp;Y) Key controls testing completed</li> </ul>
RE04	Purchase Ledger	<ul style="list-style-type: none"> <li>• Monitoring progress of roll-out of new procedure for corporate credit cards (following 2018/19 audit)</li> <li>• Liaison with Finance regarding possible introduction of virtual or embedded credit cards as payment methods</li> <li>• Ongoing monitoring of order amendment progress</li> <li>• Jasper (ad hoc reporting system) update implemented – now allows access to order authorisation data. Old routines re-tested and updated</li> <li>• (E&amp;Y) Key controls testing completed</li> </ul>
RE05	Value Added Tax	<ul style="list-style-type: none"> <li>• Liaison with Insurance &amp; Risk Officer regarding preparation for introduction of Government's Making Tax Digital (MTD) process (in place from 10/19)</li> </ul>
RE08	Payroll	<ul style="list-style-type: none"> <li>• Monthly joiners and leavers checks</li> <li>• Enhanced key control checks review completed <b>Reported to A&amp;GC 21/11/19</b></li> <li>• (E&amp;Y) Key controls testing completed</li> </ul>
RE10	Estates & Valuations	<ul style="list-style-type: none"> <li>• Liaison with Property &amp; Estates staff regarding set up and use of general fund property information in segregated area of QL system</li> </ul>
RE11	Corporate Property Management	<ul style="list-style-type: none"> <li>• Liaison with Property &amp; Estates staff regarding progress of Property Investment Strategy / Fund <b>Verbal update provided to A&amp;GC (2/19) – further update due 11/19</b></li> </ul>
CS03	Housing Finance	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing completed</li> </ul>
CS16	Housing Benefit (& Council Tax Reduction)	<ul style="list-style-type: none"> <li>• Liaison with Finance, Procurement, Benefits and external audit in respect of arrangements for future Housing Benefit Subsidy Claim certification</li> <li>• Liaison with R&amp;B Manager on draft Risk Based Verification Policy</li> <li>• (E&amp;Y) Key controls testing completed</li> </ul>

CS17	Council Tax	<ul style="list-style-type: none"> <li>• Annual test checks on CT precept calculations for Finance</li> <li>• (E&amp;Y) Key controls testing completed</li> </ul>
CS18	NDR	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing completed</li> <li>• Ongoing consideration of possible NDR fraud areas</li> </ul>
CS19	Income: Sundry Debtors	<ul style="list-style-type: none"> <li>• Liaison with Group Accountant on new reporting to service areas on overdue Sundry Debtor invoices</li> <li>• (E&amp;Y) Key controls testing completed</li> </ul>
CE06	Members' IT & Allowances	<ul style="list-style-type: none"> <li>• Liaison with ICT and Committees staff regarding implementation of ModernGov system for Members and Committees in May 2019</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. (Council has had assistance of an LGA consultant)</li> <li>• Input into progress of required Information Asset Register</li> </ul>
CS13	Information Technology – Physical Security & Disaster Recovery	<ul style="list-style-type: none"> <li>• Liaison with ICT staff in respect of Council's ICT disaster recovery arrangements Advice received that Capita (WSCC) Power Place, Chichester data centre will close and move to Horsham (but not expected until 2022). PowerPlace houses Council servers for internet, email, etc. and also the back-up SAN</li> <li>• Liaison with Neighbourhood Services staff regarding the progress of Council Business Continuity Planning (BCP) arrangements and documentation</li> </ul>
CS15	PCI-DSS Compliance	<ul style="list-style-type: none"> <li>• Update on Council's electronic payment processing arrangements via Capita and AllPay</li> <li>• Further review of use of CallPay for card payments and Capita's Electronic Licence Management System (ELMS) portal by the Council</li> <li>• Consideration of PCI-DSS areas of non-compliance and past / current consultant and vendor advice on way forward</li> <li>• Senior management have been advised that there will need to be a major Council-wide project to consider future payment processing (e.g. use of one supplier rather than two), potential technology and/or customer service changes and compliance issues. Also requires agreement of Council's future Customer Access Strategy</li> </ul>
CP02	Information & Data Governance	<ul style="list-style-type: none"> <li>• Liaison with Group Head of Council Advice &amp; Monitoring Officer regarding future work on data protection</li> <li>• Review of pre-GDPR data audit information to update Information Asset Register</li> <li>• Liaison with ICT staff and attended demonstrations of 3<sup>rd</sup> party data filtering / analysis product which will identify risk areas and potential data breaches</li> </ul>
PR01	Arun Improvement Programme	<ul style="list-style-type: none"> <li>• Liaison with ICT &amp; Service Improvement Manager in respect of AIP agenda items, review of system proposals, etc.</li> </ul>

PR04	EDRMS / Workflow	<ul style="list-style-type: none"> <li>Liaison with ICT (e-Support) staff in respect of project to implement retention and deletion schedules (as agreed for GDPR compliance) into the Council's EDRMS</li> </ul>
PR09	Digital Arun Project	<ul style="list-style-type: none"> <li>Ongoing liaison as to what the Council's digital strategy is to be and who is responsible – further discussions progressed by CMT</li> <li>Brief review of publicised initiatives from other Councils</li> <li>Liaison with ICT and input to draft Digital Strategy / Blueprint (considered by CMT 17/9/19). Internal Audit Manager is now part of steering group for the digital agenda</li> <li>With ICT and other Council staff, attended County-wide conference hosted by Adur &amp; Worthing (largely related to infrastructure)</li> <li>Steering Group consideration of proposals on Sussex By The Sea website and Aareon digital portal / services for Housing</li> </ul>
PR10	Northgate Upgrade	<ul style="list-style-type: none"> <li>Liaison with R&amp;B and ICT staff regarding progress of project to upgrade the Northgate Revenues and Benefits system in 2019. This will include use of Cloud storage / workflow and introduction of Citizen Access functionality</li> <li>Currently on track for:- <ul style="list-style-type: none"> <li>Cloud-based system in late October</li> <li>Citizen Access early December</li> <li>Information At Work (DMS replacement) early December</li> <li>Risk Based Verification of claims early December (subject to Policy agreement by Members)</li> </ul> </li> </ul>
PR11	Office/365 Migration	<ul style="list-style-type: none"> <li>Liaison with ICT staff regarding Office/365 migration project</li> <li>Phase 1 (June 2019) converted desktop for staff from old, unsupported Office version</li> <li>Later Phases will include moving data to Cloud storage and will require security considerations as to access, labelling, GDPR requirements, etc.</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>Discussion with Director of Place regarding future terms of reference for the Council's Governance &amp; Risk Group</li> <li>Identification of updates required to the Council's Code of Corporate Governance</li> <li>Preparation of the updated Annual Governance Statement and review by CMT</li> <li>Draft AGS published on website with draft Accounts (by 31 May) and provided to external audit <b>Reviewed by G&amp;R Group and CMT 5/19</b> <b>Reported to A&amp;GC 30/7/19</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> </ul>

		<ul style="list-style-type: none"> <li>• Review of (Home Office) Code changes</li> <li>• Review of changes from the Investigatory Powers Act 2016</li> <li>• Updates to Council's RIPA Policy drafted for legislative changes <b>Presented to A&amp;GC 21/11/19</b></li> <li>• Liaison with officers, review of past reports, etc. in preparation for IPCO inspection in December 2019</li> </ul>
MS04	NFI	<ul style="list-style-type: none"> <li>• The NFI Council Tax Single Person Discount reports were received in December 2018. These have been reviewed by Internal Audit and account queries referred to Revenues. (Old, redundant Electoral Roll entries have been referred to Elections)</li> <li>• Reports from the main 2-yearly NFI exercise have been received and reviewed (except for those being reviewed by Benefits)</li> <li>• Additional new reports using HMRC data received in 8/19. Key reports reviewed and queries referred to Housing and Benefits</li> <li>• Liaison with Revenues and Elections in preparation for annual Council TAX SPD review – files due at Cabinet Office 12/19</li> </ul>
CE02	Communications	<ul style="list-style-type: none"> <li>• Review of Council use of external communications, including social media channels commenced</li> </ul>
CE05	Elections & Electoral Registration	<ul style="list-style-type: none"> <li>• High-level observation / review of postal vote processing for May 2019 Elections performed</li> </ul>
CP04	Risk Management	<ul style="list-style-type: none"> <li>• Update of Strategic Risk Register via Governance &amp; Risk Group (and agreed by CMT)</li> <li>• Input to WSCC and Sussex Resilience Forum (SRF) risk registers for Brexit <b>Updated SRR presented to A&amp;GC 21/11/19</b></li> <li>• Further update of Strategic Risk Register is planned for January 2020 once revised strategic priorities of the Council have been agreed and additional risks identified</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>• Compilation and submission of data for CIPFA annual fraud survey</li> <li>• Review and update of the Council's Anti-Fraud, Corruption &amp; Bribery Policy <b>Presented to A&amp;GC 21/11/19</b></li> <li>• Preparation of Annual Counter-Fraud Report <b>Reported to A&amp;GC 30/7/19</b></li> </ul>
AD08	Audit Standards & Quality (PSIAS/QAIP)	<ul style="list-style-type: none"> <li>• Update of appropriate Arun internal audit documents</li> <li>• Preparation of self-assessment to be used in Arun's EQA</li> <li>• Liaison with Head of Business Services from Wealden Council who conducted the review – provision of information and documentation for EQA</li> <li>• Consideration of EQA report received and action plan to progress issues raised. Reviewed with Group Head of Corporate Support and Chief Executive <b>Presented to A&amp;GC 21/11/19</b></li> </ul>

ES01	Environmental Health	<ul style="list-style-type: none"> <li>• Liaison with ICT project manager in respect of the Tascomi system implementation – issues still to be addressed with the vendor</li> <li>• Liaison regarding the future linking of the Tascomi system to Capita payment processing</li> </ul>
ES04	Car Parks	<ul style="list-style-type: none"> <li>• Liaison with Car Parks &amp; Customer Service Manager in respect of contactless card payment pilot</li> </ul>
ES06	Leisure Strategy / Management	<ul style="list-style-type: none"> <li>• A governance review of the leisure centre project is being completed following delivery of the 'Littlehampton Wave'</li> </ul>
CP06	Ethics	<ul style="list-style-type: none"> <li>• A review of ethical governance issues (as recommended by CIPFA) completed and discussed with Chief Executive <b>Reported to A&amp;GC 21/11/19</b></li> </ul>
CP07	Corporate Conduct	<ul style="list-style-type: none"> <li>• Liaison with HR Manager in respect of progress of revised Officer Code of Conduct and review of draft</li> </ul>
CP08	Travel & Subsistence	<ul style="list-style-type: none"> <li>• Analytical review of car use / mileage completed at the request of the CEO – linked to corporate review of car allowances</li> </ul>
CP11	Procurement & Contracts	<ul style="list-style-type: none"> <li>• Liaison with new Procurement staff (shared arrangement with Chichester DC, with additional support from senior staff at Hampshire CC)</li> <li>• Constitution compliance (e.g. standing orders) review being planned</li> </ul>
CP13	Grants & External Funding	<ul style="list-style-type: none"> <li>• Ongoing liaison with Finance and Technical Services staff in respect of Disabled Facilities Grant (DFG) certification and proposals for pooling across the County</li> </ul>
CS02	Housing Repairs	<ul style="list-style-type: none"> <li>• Liaison with senior management on progress of investigation and agreed action plan to address the issues raised by the Regulator of Social Housing</li> <li>• Liaison regarding the progress of the current management restructure of the Housing department</li> </ul>
MS05	Contract Checking	<ul style="list-style-type: none"> <li>• Sample checks on contract compliance with Council Standing Orders and contract management in respect of financials</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> <li>• Report provided to CMT, prior to old, outstanding items being included in annual reports (<b>presented to A&amp;GC in 7/19</b>)</li> </ul>
LI02	Member Liaison / Committees	<ul style="list-style-type: none"> <li>• Review and update of past induction training for members of the Audit &amp; Governance Committee for the new Council post-May 2019 Elections <b>Induction session provided to Committee on 2/7/19</b></li> <li>• Consideration of LGA and other Council information in respect of proposed review of the Council's governance structure and possible change to 'committee system'</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>
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