

Audit Progress

At the Audit & Governance Committee meeting of 22 February 2018, the Committee agreed an outline plan for the section for 2018/19.

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"> • Audit review of Budget processes under the e5 system Reported to A&GC 26/7/18 • Input to revised Financial Regulations progressed by Finance which have been reviewed by the Constitution Working Party and are due for approval by Full Council in July 2018 • (E&Y) Key controls testing completed
RE04	Purchase Ledger	<ul style="list-style-type: none"> • Review of processes for corporate credit cards Reported to A&GC 15/11/18 • (E&Y) Key controls testing under way
RE08	Payroll	<ul style="list-style-type: none"> • Monthly joiners and leavers checks • Enhanced key control checks review being progressed • (E&Y) Key controls testing under way
CS16	Housing Benefit (& Council Tax Reduction)	<ul style="list-style-type: none"> • Liaison with Finance, Procurement, Benefits and external audit in respect of arrangements for future Housing Benefit Subsidy Claim certification • Monthly new claim calculation checks • (E&Y) Key controls testing under way
CS17	Council Tax	<ul style="list-style-type: none"> • Annual test checks on CT precept calculations • (E&Y) Key controls testing completed
CS18	NDR	<ul style="list-style-type: none"> • (E&Y) Key controls testing under way
CS19	Income: Sundry Debtors	<ul style="list-style-type: none"> • (E&Y) Key controls testing completed
CP03 MS01	Corporate Governance Annual Governance Statement	<ul style="list-style-type: none"> • Annual review of compliance against the Council's local Code of Corporate Governance • Identification of updates required to the Council's Code of Corporate Governance • Preparation of the updated Annual Governance Statement • Draft AGS published on website with draft Accounts (by 31 May) and provided to external audit Reviewed by G&R Group 4/18 Reported to A&GC 26/7/18
MS03	RIPA	<ul style="list-style-type: none"> • Advice provided to service areas in respect of queries

		<p>concerning possible use of surveillance, whether this would fall within the scope of the RIPA legislation and other options available</p> <ul style="list-style-type: none"> • Review of (Home Office) Code changes • Updates to Council's RIPA Policy being drafted
MS04	NFI	<ul style="list-style-type: none"> • The NFI Council Tax Single Person Discount exercise reports were received in December 2017. Review was delayed awaiting an updated version of the Electoral Roll to assist in the identification of records that have already been altered This has now been completed – large numbers of 'false' matches have been excluded and the remaining cases passed to Revenues for consideration. Revenues have removed SPD from 77 cases and re-billed c.£61k 'Rising 18' cases were also reviewed and a small number of queries passed to Revenues Information on the NFI is included in the Annual Counter-Fraud Report • Liaison with service areas / preparation for files to be submitted in October 2018. Checking of files received and liaison with service areas regarding issues prior to submission to the Cabinet Office (the reports from the main NFI exercise will be available for review in early 2019) • Council Tax and Electoral Roll files submitted for annual Single Person Discount exercise. Reports received from Cabinet Office in December 2018 and review progressing
RE07	Income Collection / Systems	<ul style="list-style-type: none"> • Notes drafted and circulated on electronic payment processing and PCI-DSS issues outstanding. AllPay contract is due to expire in 2020 and a corporate decision / project will be required to consider future electronic payment processing (currently mix of AllPay and Capita) in line with the ICT Service Strategy and the future Customer Access Strategy
CP02	Information & Data Governance	<ul style="list-style-type: none"> • Liaison with relevant staff in respect of GDPR preparation requirements and review of draft policies / changes, prior to their presentation to CMT <i>Regular updates are being provided to CMT by the Group Head of Council Advice & Monitoring Officer</i> • Consideration of the legal basis for Internal Audit holding and 'processing' personal data and relevant Privacy Notices (e.g. for the NFI) – published on Council website • Review of data and documents held by Internal Audit and destruction in line with agreed retention strategies
CP04	Risk Management	<ul style="list-style-type: none"> • Review of Strategic Risk Register and proposals for update for agreement by Governance & Risk Group • Updated SRR discussed with CMT and lead officer and member for risk • Updated SRR presented to A&GC 15/11/18 – to be completed 14/2/19
CS12	Information Technology	<ul style="list-style-type: none"> • Review and update of the work performed in 2014 on Disclosure & Barring Service (DBS) checks for staff

		<p>(linked to the Council's Public Services Network certification and use of DWP and GCSx services). Results were passed to the HR Manager for review and update</p> <ul style="list-style-type: none"> • Draft ICT Service Strategy reviewed and comments provided • Attended initial presentations on Office 365 – consideration of 'cloud' security issues to be progressed. 'Early adopter' use of software and liaison with project regarding audit-specific software • Liaison with ICT & R&B regarding the project to upgrade the Northgate R&B system in 2019
CS14	Information Security Policies	<ul style="list-style-type: none"> • Linked to GDPR, Information Security Group (ISG) discussion and review of policies e.g. Information Security Policy and the Internet & Email Acceptable Usage Agreement • Review and update of policies for approval by CMT and ICM • Liaison with ICT staff regarding the processes for staff testing on the policies via e-form
CS15	PCI-DSS Compliance	<ul style="list-style-type: none"> • Confirmation with Contact Centre management that the Red Box software installed as part of the telephony upgrade operated effectively in muting call recording when card payments are being taken by telephone to meet PCI-DSS compliance requirements • Notes on outstanding PCI-DSS issues circulated – ICT to obtain a consultant update on the 2014 assessment, to consider the viability of potential alternative methods of handling payments (e.g. chip & pin, IVR, call hand-off, etc.)
PR07	FMS Support / Replacement	<ul style="list-style-type: none"> • A review of 'lessons learnt' from the implementation of the new e5 system has been progressed, together with consideration of changed budget preparation processes. (The draft report was discussed at CMT on 17/7/18) <p>Reported to A&GC 15/11/18</p> <ul style="list-style-type: none"> • As a result of this, a number of control issues regarding the alteration and re-authorisation of orders were discussed with staff in Procurement, Finance and a number of service areas. Data extracts were used to identify the extent of the issue and to identify the areas involved • Further monthly data testing on order amendment issues
IN02 CP05	Fraud & Corruption Fraud & Corruption	<ul style="list-style-type: none"> • Compilation of data for publication to meet Government Data Transparency Code requirements • Compilation and submission of data for CIPFA annual fraud survey • Preparation of Annual Counter-Fraud Report <p>Reported to A&GC 26/7/18</p>
AD08	Audit Standards & Quality (PSIAS/QAIP)	<ul style="list-style-type: none"> • Update of appropriate Arun internal audit documents • Preparation of self-assessment to be used in Arun's future EQA • Undertaking the External Quality Assessment (EQA) for Wealden DC and providing a report on the outcome

		(this is on a mutual support basis across the Sussex Audit Group)
ES01	Environmental Health	<ul style="list-style-type: none"> Liaison with Project Manager in respect of testing / development and preparation of data for migration to the new system The amount of work involved and resourcing issues required the implementation of Phase 1 of the project to be put back to September 2018 and Phase 2 is in progress
ES06	Leisure Strategy / Management	<ul style="list-style-type: none"> A governance review of the new leisure centre project is being progressed
CP06	Ethics	<ul style="list-style-type: none"> A review of ethical issues (as recommended by CIPFA) is being progressed
CP08	Travel & Subsistence	<ul style="list-style-type: none"> Analytical review of car use / mileage commenced at the request of the CEO
CP13	Grants & External Funding	<ul style="list-style-type: none"> Sample testing of disabled facilities grant cases in order to provide certification to WSCC on the use of the Integration and Better Care Fund: Disabled Facilities Grant Capital Determination 2017-18 Liaison with Finance over proposals for County-wide pooling of DFG in 2020
CS01	Housing Services - Homelessness	<ul style="list-style-type: none"> A review of the processes in place for dealing with homeless cases has been progressed and interim finding reported to Housing management. Further work is on hold, pending a restructure and review of processes in the area
CS02	Housing Repairs	<ul style="list-style-type: none"> Liaison with senior management on progress of investigation and agreed action plan to address the issues raised by the Regulator of Social Housing Liaison regarding the progress of the current management restructure of the Housing department
CS06	Human Resources	<ul style="list-style-type: none"> At the request of the Human Resources Manager a review of the Council's Job Profiling scheme to ensure that it is being applied consistently / decisions was undertaken, in conjunction with Unison
MS05	Contract Checking	<ul style="list-style-type: none"> Sample checks on contract compliance with Council Standing Orders and contract management in respect of financials
RE05	Value Added Tax	<ul style="list-style-type: none"> Review and update of the work performed in 2015 on validity and recording of VAT Registration numbers (now in the e5 financial management system). Results were passed to the Council's Insurance & Risk Officer for review