

### **Audit Progress**

At the Audit & Governance Committee meeting of 13 February 2020, the Committee agreed an outline plan for the section for 2020/21.

Since the plan was provided to the Committee, the global Covid-19 crisis has caused a significant impact on the Council and its operations – some planned audit activities have been postponed and resource has been used on areas of work relating to the crisis. (As at January 2021, it is now looking like this will continue for some time in 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>• Self-assessment of Council arrangements / financial resilience against CIPFA's Financial Management Code (FMC) performed</li> <li>• Additional review of the guidance notes to CIPFA's FMC (issued in May 2020)</li> <li>• (E&amp;Y) Key controls testing in progress</li> <li>• Assistance provided to Finance on monitoring income and expenditure and checking Covid-19 returns for central government (lost revenue, additional expenditure, etc.)</li> </ul>
RE04	Purchase Ledger	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing in progress</li> <li>• Liaison with Finance on external proposal for duplicate payment checking</li> <li>• Review of Covid-19 related expenditure for Government returns</li> </ul>
RE08	Payroll	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing completed</li> <li>• Monthly joiner and leaver checking</li> <li>• Checking of redundancy calculations, as required</li> </ul>
CS18	NDR	<ul style="list-style-type: none"> <li>• Ongoing consideration of possible NDR fraud areas (including small business relief and exemptions)</li> <li>• Liaison with Revenues and review of Government, NFI, NAFN, etc. communications on Covid-19 Business Support Grants</li> <li>• Liaison with Revenues and conducting fraud checks on claims / payments made. Checks made and information updated in Government Spotlight tool</li> <li>• Liaison with Revenues on regular returns on grants paid submitted to Government via Delta system</li> </ul>
CS19	Income: Sundry Debtors	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing in progress</li> </ul>
CE06	Members' IT & Allowances	<ul style="list-style-type: none"> <li>• Liaison with ICT and Committees staff regarding progress of implementation of ModernGov system for Members and Committees</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>• Input into progress of required Information Asset Register</li> <li>• Liaison with ICT staff on lessons from ransomware attacks at other Councils</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> <li>• Ongoing liaison in respect of arrangements for working during the Covid-19 crisis (including use of new methods e.g. Zoom, Microsoft Teams for remote meetings)</li> </ul>
CS15 RE07	PCI-DSS Compliance Income Collection / Systems	<ul style="list-style-type: none"> <li>• Liaison with ICT project staff on Council's electronic payment processing arrangements via Capita / AllPay and PCI-DSS areas of non-compliance</li> <li>• Review and discussion on report and recommendations from the ICT review</li> </ul>
CP02	Information & Data Governance	<ul style="list-style-type: none"> <li>• Ongoing liaison with Group Head of Council Advice &amp; Monitoring Officer and Information Security Group regarding future work on data protection</li> <li>• Liaison with Legal Services Manager regarding data breach report for A&amp;GC</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>
PR07	FMS Support / Replacement	<ul style="list-style-type: none"> <li>• Liaison with Finance and ICT on future FMS upgrade and hosting</li> </ul>
PR09	Digital Arun Project	<ul style="list-style-type: none"> <li>• Ongoing liaison via steering committee on progress of the Council's digital strategy</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 2019-20</li> <li>• Additional changes have been received from the vendor and applied in respect of Covid-19 crisis processing (e.g. in respect of NDR discounts and Business Support Grants)</li> </ul>
PR11	Office/365 Migration	<ul style="list-style-type: none"> <li>• Ongoing liaison with ICT staff and Information Security Group regarding Office/365 migration project</li> <li>• Liaison with ICT staff in respect of movement of service network drives to the Cloud (OneDrive and Teams)</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</li> <li>• Assisting Finance in preparing submissions for central government (MHCLG and BEIS)</li> </ul>

		<ul style="list-style-type: none"> <li>Assisting Finance in reviewing 'open book' accounting records in support of leisure provider contribution</li> <li>Risk assessments and post-assurance test plans prepared for Covid grants distributed, as required by the BEIS</li> <li>Liaison with Finance, Revenues and Economy on reconciliation of Business Support and Local Discretionary Grant payments (first national lockdown March-July 2020) for BEIS</li> <li>Liaison with various areas in respect of the implementation and functionality of the Ascendant grant application portal software in November 2020</li> <li>Liaison with Finance and Economy on discretionary grant schemes adopted</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 reconciliation requirements). This has become increasingly complex with the speed of change involving different schemes for national lockdowns, Tiers, targeted payments, etc.</li> <li>As at 5 Jan a new national lockdown has been announced to extend to at least mid-February before any possible relaxation, but restrictions / schemes look likely to extend into the 2021/22 financial year</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 CMT</li> <li>Draft AGS published on website with draft Accounts and provided to external audit – Final AGS published with the audited Accounts</li> </ul> <p><b><i>Reviewed by G&amp;R Group and CMT 4/20 Reported to A&amp;GC 30/7/20 (draft) and 19/11/20 (final)</i></b></p>
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>Liaison with CMT and officers on future training requirements arising from IPCO inspection in December 2019 (now postponed from June 2020)</li> <li>Overview paper included in annual RIPA update to A&amp;GC (30/7/20)</li> </ul>
MS04	NFI	<ul style="list-style-type: none"> <li>The NFI Council Tax Single Person Discount reports were received in December 2019. Review of these by Internal Audit was progressed - account queries were referred to Revenues (although this was in the period of the Covid-19 crisis and arrears were not being pursued) and old, redundant Electoral Roll entries to Elections</li> <li>Timetable and data specifications received for the next main 2-yearly NFI exercise with files required in October 2020 – advised to appropriate service areas. Files checked and uploaded to the Cabinet Office</li> </ul>

		<ul style="list-style-type: none"> <li>• Liaison with Revenues staff in respect of additional 2020 NFI requirements for Business Support Grant data to be provided – file checked and uploaded in December 2020</li> <li>• Review / comment on NFI 2020/21 Work Programme and Scale of Fees Consultation</li> <li>• Timetable and data specifications received for the annual Council Tax Single Person Discount exercise with files required in December 2020 – files checked and uploaded to the Cabinet Office. Matching results received and awaiting review</li> </ul>
CE01	Performance & Improvement	<ul style="list-style-type: none"> <li>• Liaison regarding possible changes to Corporate Plan Indicators arising from change to Council's strategic priorities in 2019</li> <li>• Liaison on the future of the Pentana software</li> </ul>
CP04	Risk Management	<ul style="list-style-type: none"> <li>• Further update of Strategic Risk Register via Governance &amp; Risk Group (and agreed by CMT) in 4/20 in light of the Covid-19 crisis <b>Updated SRR presented to A&amp;GC 30/7/2020</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 30/7/20</b></li> <li>• Review of updated Fighting Fraud &amp; Corruption Locally – A strategy for the 2020s (published in March 2020)</li> <li>• Submission of annual CIPFA Fraud &amp; Corruption Tracker survey</li> <li>• Review of Cabinet Office NFI report (link advised to A&amp;GC) and future risks / horizon scanning reports</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> </ul>
AD08	Audit Standards & Quality (PSIAS/QAIP)	<ul style="list-style-type: none"> <li>• Update of appropriate Arun internal audit documents</li> <li>• Progress External Quality assessment (EQA) action plan (as reported to A&amp;GC 11/19)</li> </ul>
PL02	Planning Section106	<ul style="list-style-type: none"> <li>• Review of Community Infrastructure Levy (CIL) proposals</li> <li>• Liaison with other Council audit areas where CIL has already been implemented</li> <li>• Liaison with Planning and Finance staff on implementation proposals, processes, etc.</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)</li> <li>• Liaison regarding adoption and administration of County-wide schemes for other discretionary payments from December 2020 while in Tiers / lockdown</li> <li>• Consideration of reports / updates on regeneration projects, tourism, etc.</li> </ul>
CP06	Ethical Leadership / Behaviour	<ul style="list-style-type: none"> <li>• Review / update of checklist from 2019 audit and circulation of results to CMT</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>
CP11	Procurement & Contracts	<ul style="list-style-type: none"> <li>• Liaison with new Procurement staff (shared arrangement with Chichester DC, with support from senior staff at Hampshire CC). Some discussion regarding Standing Orders, ordering, etc.</li> <li>• Constitution compliance (e.g. standing orders) review being progressed</li> </ul>
CP13	Grants and External Funding	<ul style="list-style-type: none"> <li>• Testing and certification of Disabled Facilities Grant usage in 2019/20 for Finance to return to WSCC</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> <li>• Liaison with Housing and Finance staff regarding the change from Mears to Osbornes for reactive repairs and voids from 4/20 and arrangements for initial payments</li> </ul>
CS03	Housing Finance	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing completed</li> </ul>
CS09	Customer Services	<ul style="list-style-type: none"> <li>• Consideration of future Customer Services Strategy</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 information in respect of planned change to 'committee system' of governance from May 2021</li> <li>• Consideration of changes to A&amp;GC future workplan</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>

