

### 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"> <li>• Audit review of Budget processes under the e5 system <b>Reported to A&amp;GC 26/7/18</b></li> <li>• 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</li> </ul>
RE04	Purchase Ledger	<ul style="list-style-type: none"> <li>• Review of processes for corporate credit cards <b>Reported to A&amp;GC 15/11/18</b></li> </ul>
RE08	Payroll	<ul style="list-style-type: none"> <li>• Monthly joiners and leavers checks</li> <li>• Enhanced key control checks review being progressed</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>• Monthly new claim calculation checks</li> </ul>
CS17	Council Tax	<ul style="list-style-type: none"> <li>• Annual test checks on CT precept calculations</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>• Identification of updates required to the Council's Code of Corporate Governance</li> <li>• Preparation of the updated Annual Governance Statement</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 4/18</b> <b>Reported to A&amp;GC 26/7/18</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>• Review of (Home Office) Code changes</li> <li>• Updates to Council's RIPA Policy being drafted</li> </ul>
MS04	NFI	<ul style="list-style-type: none"> <li>• The NFI Council Tax Single Person Discount exercise reports were received in December 2017. Review was delayed awaiting an updated version of the Electoral</li> </ul>

		<p>Roll to assist in the identification of records that have already been altered</p> <p>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</p> <p>‘Rising 18’ cases were also reviewed and a small number of queries passed to Revenues</p> <p>Information on the NFI is included in the Annual Counter-Fraud Report</p> <ul style="list-style-type: none"> <li>• 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</li> </ul>
RE07	Income Collection / Systems	<ul style="list-style-type: none"> <li>• 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 future ICT Strategy and Customer Access Strategy</li> </ul>
CP02	Information & Data Governance	<ul style="list-style-type: none"> <li>• 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 &amp; Monitoring Officer</i></li> <li>• 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</li> <li>• Review of data and documents held by Internal Audit and destruction in line with agreed retention strategies</li> </ul>
CP04	Risk Management	<ul style="list-style-type: none"> <li>• Review of Strategic Risk Register and proposals for update for agreement by Governance &amp; Risk Group</li> <li>• Updated SRR discussed with CMT and lead officer and member for risk</li> <li>• <b>Updated SRR presented to A&amp;GC 15/11/18</b></li> </ul>
CS12	Information Technology	<ul style="list-style-type: none"> <li>• Review and update of the work performed in 2014 on Disclosure &amp; Barring Service (DBS) checks for staff (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</li> <li>• Draft ICT Service Strategy reviewed and comments provided</li> <li>• Attended initial presentations on Office 365 – consideration of ‘cloud’ security issues to be progressed</li> </ul>
CS14	Information Security Policies	<ul style="list-style-type: none"> <li>• Linked to GDPR, Information Security Group (ISG) discussion and review of policies e.g. Information Security Policy and the Internet &amp; Email Acceptable Usage Agreement</li> <li>• Review and update of policies for approval by CMT and ICM</li> </ul>

		<ul style="list-style-type: none"> <li>Liaison with ICT staff regarding the processes for staff testing on the policies via e-form</li> </ul>
CS15	PCI-DSS Compliance	<ul style="list-style-type: none"> <li>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</li> <li>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 &amp; pin, IVR, call hand-off, etc.)</li> </ul>
PR07	FMS Support / Replacement	<ul style="list-style-type: none"> <li>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) <b>Reported to A&amp;GC 15/11/18</b></li> <li>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</li> <li>Further monthly data testing on order amendment issues</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>Preparation of Annual Counter-Fraud Report <b>Reported to A&amp;GC 26/7/18</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 future EQA</li> <li>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)</li> </ul>
ES01	Environmental Health	<ul style="list-style-type: none"> <li>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 have now required the implementation of Phase 1 of the project to be put back to September 2018, after which Phase 2 will progress</li> </ul>
ES06	Leisure Strategy / Management	<ul style="list-style-type: none"> <li>A governance review of the new leisure centre project is being progressed</li> </ul>
CP06	Ethics	<ul style="list-style-type: none"> <li>A review of ethical issues (as recommended by CIPFA) is being progressed</li> </ul>
CP08	Travel & Subsistence	<ul style="list-style-type: none"> <li>Analytical review of car use / mileage commenced at the request of the CEO</li> </ul>

CP13	Grants & External Funding	<ul style="list-style-type: none"> <li>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</li> </ul>
CS01	Housing Services - Homelessness	<ul style="list-style-type: none"> <li>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 possible restructure and review of processes in the area</li> </ul>
CS06	Human Resources	<ul style="list-style-type: none"> <li>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</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>
RE05	Value Added Tax	<ul style="list-style-type: none"> <li>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 &amp; Risk Officer for review</li> </ul>