

### Audit Progress

At the Audit & Governance Committee meeting of 25 February 2020, the Committee agreed an outline plan for the section for 2021/22.

As advised to the Committee, the global Covid-19 crisis has caused a significant impact on the Council and its operations – through 2020 and into 2021, some planned audit activities have been postponed and resource has been used on areas of work relating to the crisis. 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>• (E&amp;Y) Key controls testing in progress</li> <li>• Update of CIPFA Financial Management Code compliance assessment</li> </ul>
RE04	Purchase Ledger	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing in progress</li> <li>• Assistance to Finance in 2020-21 on 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 in progress</li> <li>• Monthly joiner and leaver checking</li> <li>• Checking of redundancy calculations, as required</li> </ul>
CS1	Housing Benefit	<ul style="list-style-type: none"> <li>• Review of E&amp;Y results from Housing Benefit Subsidy Claim certification work and preparing summary report for A&amp;GC</li> </ul>
CS17	Council Tax	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing in progress</li> </ul>
CS18	NDR	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing in progress</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 post-payment assurance checks on claims / payments made</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 Revenues. (Mandatory grants for March-July 2020 were paid through the Northgate system)</li> <li>• Reconciliation of grant schemes in liaison with Revenues and Finance and notification to BEIS</li> </ul>
CS19	Income: Sundry Debtors	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing in progress</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> </ul>

		<ul style="list-style-type: none"> <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> </ul>
CP02	Information & Data Governance	<ul style="list-style-type: none"> <li>• Ongoing liaison with Information Governance staff regarding future work on 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</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 2020-21</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/I 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 reconciliation requirements). This has become increasingly complex with the speed of change involving different schemes for national lockdowns, Tiers, targeted payments, 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>• 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 to be published with the audited Accounts <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> </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</li> </ul>

		<p>by Internal Audit is to be progressed – awaiting addition of a risk score by the Cabinet Office</p> <ul style="list-style-type: none"> <li>• Reports for the main 2-yearly NFI exercise were received in February and review is in progress</li> <li>• Reports for the Covid-19 grant schemes (March-July 2020) received and reviewed</li> </ul>
CP04	Risk Management	<ul style="list-style-type: none"> <li>• Further update of Strategic Risk Register via Governance &amp; Risk Group in 1/21 in light of the ongoing Covid-19 crisis. Further review is due in September 2021 after which it will be presented to the A&amp;GC</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>
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>• 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>• Reconciliation of grant schemes in liaison with Revenues and Finance and notification to BEIS</li> <li>• Consideration of reports / updates on regeneration projects, tourism, etc.</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> </ul>

CS03	Housing Finance	<ul style="list-style-type: none"> <li>• (E&amp;Y) Key controls testing in progress</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</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>