

REPORT TO	ON
Governance Committee	24 <sup>th</sup> September 2019



TITLE	REPORT OF
Internal Audit Progress Report as at 31 August 2019	Interim Head of Shared Assurance

Is this report confidential?	No
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### PURPOSE OF THE REPORT

1. To provide the Governance Committee with a summary of Internal Audit work undertaken for South Ribble and the Shared Services element for the period 1 April 2019 to 31 August 2019.

### RECOMMENDATIONS

2. Members are asked to consider and note the contents of the report.

### EXECUTIVE SUMMARY

3. Governance Committee are required to be informed of and review Internal Audit work as part of their review of the Council's internal control environment and overall Governance arrangements. To that end the report outlines the work undertaken for the period, the individual opinion of the internal control environment of those pieces of work completed, the progress of work to 31 August 2019 and the status of planned and ongoing work.

The detailed information in regard to progress against individual areas of work / auditable areas up to the 31 August 2019 has been provided at Appendix 1.

### CORPORATE PRIORITIES

4. The report relates to the following corporate priorities:

Excellence and Financial Sustainability	
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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## BACKGROUND TO THE REPORT

5. This is the progress report of work undertaken for the 2019/20 Plan, which was previously agreed with the Governance Committee.

## PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)

### 6. Audit Plan Progress

This is the first progress report in respect of 2019/20 and includes those items carried forward from the 2018/19 plan that have now been completed. Those items are:

- Cash & Bank
- Main Accounting

The appendix also shows time against jobs previously reported as completed in 2018/19 where some follow up work was required to finalise reports, these are as follows:

- Commercial Properties
- Health & Safety
- Treasury Management

One of the main areas of review for the initial quarter is the work undertaken in respect of the Annual Governance Statement, whereby Internal Audit undertake a review and assessment of the Council's Governance Framework, its Risk Management and the overall control environment.

The following table outlines the main pieces of work completed in the last period:

<b>Audit Work Area</b>	<b>Assurance Rating</b>	<b>Comments</b>
Annual Governance Statement	Not applicable	Proactive Audit input was provided in collating information to inform the Annual Governance Statement.
Commercial Properties	Limited	The Audit identified a number of issues in regard to the maintenance and the accuracy of the Council's Asset Register and the undertaking of lease and rent reviews. Management Actions have addressed these issues and a follow up of these actions will be undertaken by Internal Audit later in 2019/20.
Health & Safety	Adequate	Audit work included a review of risk assessments in specific areas and a H & S Survey. Results from the review and survey have been reported to Leadership Team and an action plan compiled, progress is to be monitored by Leadership Team.
Cash & Bank	Substantial	Audit review the adequacy of the controls in a core financial system. 2 minor areas of weakness identified, no materiality.
Treasury Management	Substantial	Audit review the adequacy of the controls in a core financial system. 4 minor areas of weakness identified, no materiality.
Main Accounting	Substantial	Audit review the adequacy of the controls in a core financial system. 1 area of weakness identified, no materiality.

A number of reviews have also commenced during this period and are in the process of being completed, these will be reported in the next progress report to Committee. Those reviews that have commenced for South Ribble and Shared Financial Services are;

- GDPR Compliance Reviews
- Corporate Credit Cards
- Car Park Management / Enforcement
- Performance Management Information
- Creditors
- NFI Report on Creditor & Payroll Data Matches
- Shared Services Accounts Review

The '% of audit plan completed' for South Ribble for this period has not been achieved. This is due in part to the number of audits currently in the process of being completed (as above) and the additional other work undertaken as part of contingency / irregularities. The level of completion of the audit plan is being closely monitored and reviewed by the Interim Head of Shared Assurance.

A number of resource issues arose last year in the Shared Assurance Service that impacted on the Internal Audit Services, specifically a long term sickness. As this is still ongoing the Section 151 Officers' of both Councils' have agreed a temporary Internal Auditor to support the Audit Team and an administration post to support the Insurance Service and the renewal process. These roles can be accommodated within the existing budget. A member of the Internal Audit Team is currently acting up to provide review and oversight of audit work.

#### **FINANCIAL IMPLICATIONS**

7. There are no financial implications.

#### **LEGAL IMPLICATIONS**

8. There are no legal implications.

#### **AIR QUALITY IMPLICATIONS**

9. There are no air quality implications.

#### **COMMENTS OF THE STATUTORY FINANCE OFFICER**

10. There are no financial implications.

#### **COMMENTS OF THE MONITORING OFFICER**

11. There are no legal implications.

#### **OTHER IMPLICATIONS:**

<ul style="list-style-type: none"><li>▶ <b>HR &amp; Organisational Development</b></li><li>▶ <b>ICT / Technology</b></li></ul>	The matters raised in the report are cross cutting and impact upon those individual services reviewed and the Internal Control environment of the Council.
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<ul style="list-style-type: none"> <li>▶ <b>Property &amp; Asset Management</b></li> <li>▶ <b>Risk</b></li> <li>▶ <b>Equality &amp; Diversity</b></li> </ul>	<p>Failure to report the progress of the Audit Plan to the Governance Committee would result in the lack of awareness of those charged with the responsibility for the Governance of the Council of issues in regard to the Council's overall control environment. This could result in financial, legal and / or reputational harm to the Council.</p>
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## **BACKGROUND DOCUMENTS**

South Ribble Internal Audit Plan 2019/20  
 Shared Financial Services Internal Audit Plan 2019/20

## **APPENDICES**

Appendix 1 – Internal Audit Plans 2019/20 Progress for South Ribble Council and Shared Financial Services.

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 Interim Head of Shared Assurance

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