



Summary of Internal Audit Reports Issued to Date

REPORT OF DAP Partnership Manager
To: Audit & Governance Committee
Subject: Audit Reports Issued to Date
Date: 31st March 2021 **Reference:**

PURPOSE OF REPORT: To provide a summary of the audit reports issued to date to enable members to discuss any matters they wish to raise.

1. INTRODUCTION

The Audit & Governance Committee have requested a regular summary of audit reports issued. This is to provide an opportunity for discussion and to raise queries related to the reports.

As members receive a full copy of the audit report upon release, they are encouraged to raise any significant concerns they may have with the Auditor at that time, however this summary report gives an added opportunity for Members as a group to discuss related matters.

This report includes all final audit reports issued to date that have not been previously reported to the Committee.

2. REPORT

A summary of those final reports issued to date and not included in previous committee reports is included at Appendix A.

There are 4 audits to be reported upon:

- Housing Renewals
- Creditors
- NNDR
- Main Accounting System

3. IMPLICATIONS

Legal Implications

None.

Financial Implications

None.

Human Resources Implications

None.

Sustainability Implications

None.

Equality/Diversity

None.

Risk Management

The Risk Based Internal Audit Plan is designed to provide robust coverage of the key risks faced by the Council each year. It is developed in consultation with management and approved by members.

Each internal audit report provides the following key information:

Assurance level – providing an overall opinion on the audit area.

Action plan – including audit recommendations (where applicable) and management responses.

Reported issues are assigned a priority rating of high, medium, or low, based on the perceived impact and likelihood as established within the corporate risk matrix.

The report may also include ‘opportunity’ findings, which are suggested courses of action perceived to add value and included for consideration.

Low priority or housekeeping matters are reported separately to operational management during the draft audit stage.

Where this is an opportunity to add value by suggesting

Progress with implementing actions is reported to the Chief Executive Officer or Senior Management Team, and to the Audit & Governance Committee, on a quarterly basis.

Compliance with Policies and Strategies

This report complies with the Audit & Governance Committee terms of reference and the Audit Procedures Manual.

Ward Member and Leader Member Views

Councillor Philip Hackett, Chair of Audit & Governance, commented “*The Internal Audits Reports contribute to the Council’s robust governance arrangements.*”

4. CONCLUSIONS

The following is a summary of the four assurance levels currently used, along with the audits that have been awarded each level:

Opinion	Audit
Substantial Assurance ‘A sound system of Governance’	Creditors Main Accounting System
Reasonable Assurance ‘Some scope for improvement’	NNDR
Limited Assurance ‘Improvement is required’	Housing Renewals
No Assurance ‘Immediate action required’	None



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5. RECOMMENDATIONS

Committee are asked to:

Note the report issued in this reporting period and raise any queries, suggestions or proposals relating to the internal audits in this report.

SUPPORTING INFORMATION

Consultations:	Steve Hearse, Chief Executive Officer Staci Dorey, Head of Legal and Governance and Monitoring Officer Councillor Philip Hackett, Audit and Governance Committee Chair
Contact Officer:	David Heyes, Finance Manager & S151 Officer Robert Hutchins – Head of Devon Audit Partnership
Background Papers:	Audit files

Overview of Reports Issued but not Previously Reported to Committee

Housing Renewals (2019-20)

Overall Assurance Level – Limited Assurance

No of recommendations – 10

No of recommendations agreed - 10

Summary

The audit would normally have focussed on disabled facilities grants, but as administration of these had been outsourced to a neighbouring authority at that time, we instead focussed on a relatively new initiative, being the eco flex top up grants.

The most significant findings from this audit focussed on a need for improved monitoring of budgets, due to a significant overspend, as well as the need to ensure suitable levels of application validation and checking, to counter the risk of fraud.

Some of the issues may have arisen due to team resourcing pressures, which we understand have now been addressed to some degree.

Management responded positively to this report and acknowledged a need and commitment to address the matters raised.

Creditors

Overall Assurance Level – Substantial Assurance

No of recommendations – 3 (including two 'opportunity')

No of recommendations agreed – 1 primary and 1 opportunity

Summary

The creditors system continues to operate effectively and day to day systems and controls have not been significantly impacted by the Covid response, despite some additional workloads being placed on the team.

Our primary finding revolved around some payments being processed without an official order having been raised, which makes it more difficult to accurately monitor affected budgets.



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NNDR

Overall Assurance Level – Reasonable Assurance

No of recommendations - 8

No of recommendations agreed - 8

Summary

The NNDR team have been significantly impacted by the Covid response during the current year. The processing of related discounts and reliefs, as well as the processing of large volumes of business grants, has fallen primarily to this team. Whilst crucial activities such as system parameter updates and billing runs had occurred as planned, it was no surprise that the audit identified a number of day to day processes that have lapsed.

Management have responded positively to this report and all actions were agreed, some being implemented by the time the final report had been issued.

Main Accounting System

Overall Assurance Level – Substantial Assurance

No of recommendations - 0

No of recommendations agreed – N/A

Summary

The Main Accounting System continues to operate effectively and day to day systems and controls have not been significantly impacted by the Covid response.