

Audit Review Title	Planned Quarter	Current Status	Audit Opinion	Scope of Audit and Findings
Risk Management	4	Planning		
Safeguarding	3	In progress		
Procurement	2	Draft Report		
Information Governance – General Data Protection Regulations	4	Consultancy – Ongoing Assurance – Planned for March		We continue to provide ongoing advice in a consultancy capacity with regard to GDPR compliance and this includes attendance at the Information Governance Officer Group, an assurance based audit is planned for March.
Business Continuity Plan including Emergency Planning	4	Planning		
Public Safety	2	In progress		
Corporate Governance – Democratic Process and Decision Making	2	To commence February 2019		
Starters and Leavers Payroll and Personnel processes	3	Draft Report		
IT Disaster Recovery Plan	4	Planning		
Council Tax Administration	3	In progress		
Benefits – Change of circumstances	3	Planning		
Counter Fraud Function	3	Planned for February		

Creditors, including VAT	1	Complete	Creditors – Adequate VAT - High	<p>A number of areas for development were identified for Creditors with recommendations made accordingly. In particular Financial Procedure Rules require Purchase Orders to be raised in advance of goods or services being received from the supplier. Although there are legitimate exceptions, testing identified numerous instances where expenditure incurred on goods and services had no purchase order raised or where the order had been raised after the invoice was received.</p> <p>Review/rationalisation of authorising officers and suppliers on the system is required; we identified instances where staff have authorisation limits in excess of need and a number of officers with ability to authorise had not done so. A large number of suppliers have duplicate accounts and a significant number of suppliers are inactive, for example 413 suppliers have never been used while 6070 have not been paid since 2011/12. In addition the ability to create or amend new supplier accounts is not limited to staff from Exchequer meaning that a large number of staff from across the authority are able to make changes to supplier bank details.</p> <p>Review of the payment process identified that, mainly due to the size of the exchequer team, there is no separation of duties in the process, and no independent checks are undertaken on payment reports before being sent to the bank for processing. All approvals for BACS payment are obtained after the payment has been sent. We did note that there are a number of retrospective compensating controls that would ensure identification of errors after the payment file had been sent and there is the opportunity to recall the file provided it is checked timely.</p> <p>Three duplicate payments were made during the year. One payment has been repaid by the supplier but the other two are outstanding; the amounts are not material. It was established that in all 3 cases, staff outside of Exchequer had used different invoice numbers thereby circumventing inbuilt system controls which allowed the duplicate invoices to be processed.</p> <p>In relation to VAT our review found sound procedures for processing VAT invoices from suppliers and for the recovery of input VAT. Review of procedures for the raising of invoices established that VAT is being correctly applied. Some minor technical issues were identified where staff are on occasion raising invoices as exempt or zero rated when in fact they should be raised as being outside the scope of VAT. No errors were identified with the most recent VAT partial exemption calculation.</p>
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Treasury Management	2	Complete	High	<p>The audit established a number of key strengths. The Treasury Management Strategy is subject to regular review and approval by full Council. All investment decisions were undertaken in accordance with the Strategy, were recorded on a suitably detailed cashflow which forms the basis for all investment decisions and were approved by Senior Management prior to being made. Staff responsible for undertaking the treasury management function are well trained, and fully understand the priorities for the Council as being firstly security and liquidity of funds, and then return on investment. Financial Services staff responsible for treasury management receive regular updates from Treasury Management advisors, and only make investment decisions after having considered the most recent information provided by those advisors.</p> <p>It was noted that the Audit Committee are responsible for the review of treasury management activities; only 3 members of the current Committee have been provided with Treasury Management training and that training was received in 2014. However, in light of the May 2019 elections, it would make sense to provide training after any new Committee Members have been appointed. In addition The Council re-appointed its existing Treasury Management advisors in April 2016 for a further term of 5 years, the total cost of the contract being around £40,000. Officers undertook informal market testing and subsequently obtained 3 quotes however further market testing in compliance with Contract Procedure Rules as part of the process for appointing new treasury management advisors is advised when the current contract is near expiry.</p>
IT – New Strategy	TBC	Deferred	N/a	The new IT Strategy was agreed in May 2018, as such we believe there would be limited value in undertaking an audit at this stage, the audit will now be undertaken in Q1 of 2019/20 to allow progress in implementation.
Local Plan	4	Cancelled	N/a	The Plan has now been to consultation and will be submitted to the Secretary of State for approval, as such there is limited value that audit can add. The Local Plan audit has been replaced by an audit of the Discretionary Disabled Facilities Grant.
Development Management	3	In progress		
Prevention of Homelessness Act	4	Planning		

2018-19 Internal Audit Assurance and Consultancy Reviews

Annex 1

Contaminated Land	3	Draft Report		
Contract Management including grounds maintenance and Leisure Trust	4	Planning		
Waste Contract Re-let	Ongoing	Consultancy – Ongoing Assurance – TBC		The requirement for an assurance element relating to the contract re-let in 2018/19 is to be confirmed, we are provided ongoing advice in a consultancy capacity and it may be that an assurance based audit is better placed in 2019/20. The Committee will be updated at the April meeting.
Follow-up DHP	4			
Follow-up NNDR	3			
Council Tax fraud and error – KCC Funding	2	Completed	n/a	This piece of consultancy work was undertaken on the Call Credit project, which is aimed at increasing the council tax yield. The work was undertaken to act as a self-assessment for the Council prior to the mid-year review scheduled for October 2018 by KCC. A number of recommendations were raised with the business
Discretionary Disabled Facilities Grant	N/a	In progress	TBC	The audit is being undertaken at the request of the Director of Finance and Transformation in her statutory capacity as Section 151 officer following the identification of a significant budget overspend in the amount of £134,000. The audit will seek to establish the root cause of the overspend and provide an opinion as to the adequacy, effectiveness and reliability of the controls in place to manage the Discretionary DFG budget through the allocation of discretionary funds and the monitoring of spend against the capital budget.