



Three Rivers District Council  
Audit Committee Progress Report  
26 July 2022

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 15 July 2022
- Approve amendments to the Audit Plan as at 15 July 2022
- Agree changes to the implementation dates for 9 audit recommendations (paragraph 2.6) for the reasons set out in Appendices 3 to 6
- Agree removal of implemented audit recommendations (Appendices 3 to 6)

# Contents

- 1 Introduction and Background
  - 1.1 Purpose of Report
  - 1.2 Background
- 2 Audit Plan Update
  - 2.1 Delivery of Audit Plan and Key Findings
  - 2.4 Audit Recommendations
  - 2.8 Proposed Audit Plan Amendments
  - 2.9 Performance against Targets

## Appendices

- 1 Progress against the 2022/23 Audit Plan
  - 2 2022/23 Audit Plan Projected Start Dates
  - 3-6 Progress against Outstanding Internal Audit Recommendations
-

# 1. Introduction and Background

## Purpose of Report

- 1.1 This report details:
- a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's annual audit plan for 2022/23 as at 15 July 2022.
  - b) Proposed amendments to the approved 2022/23 Annual Audit Plan.
  - c) Implementation status of all previously agreed audit recommendations from 2018/19 onwards.
  - d) An update on performance management information as at 15 July 2022.

## Background

- 1.2 The work of internal audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.
- 1.3 The 2022/23 Annual Audit Plan was approved by Audit Committee on 29 March 2022.
- 1.4 The Audit Committee receives periodic updates on progress against the Annual Audit Plan from SIAS, the most recent of which was brought to this Committee on 29 March 2022.

# 2. Audit Plan Update

## Delivery of Audit Plan and Key Audit Findings

- 2.1 At 15 July 2022, 19% of the 2022/23 Audit Plan days had been delivered (calculation excludes unused 'To Be Allocated'). Appendix A provides a status update on each individual deliverable within the audit plan.
- 2.2 The following 2021/22 reports have been finalised since 29 March 2022 Audit Committee.

<b>Audit Title</b>	<b>Date of Issue</b>	<b>Assurance Level</b>	<b>Number and Priority of Recommendations</b>
Section 106	Mar '22	Reasonable	Two medium

---

FM Buildings Compliance	Apr '22	Reasonable	Three medium One low
Payroll	Apr '22	Substantial	Two low
Main Accounting	Apr '22	Reasonable	Three low
Procurement Cards	Apr '22	Reasonable	Two medium One low
Cyber Security	Apr '22	Reasonable	Two medium Two low
Complaints Handling	May '22	Reasonable	One high One medium
Contract Waivers	Jun '22	Reasonable	One medium One low
Creditors	Jul '22	Reasonable	Two medium One low
Benefits	Jul '22	Reasonable	Two medium
Council Tax	Jul '22	Reasonable	One medium

2.3 The following 2022/23 report has been finalised since 1 April 2022.

<b>Audit Title</b>	<b>Date of Issue</b>	<b>Assurance Level</b>	<b>Number and Priority of Recommendations</b>
Arts Council Recovery Fund Grant Certification	May '22	Not Assessed	N/A

#### All Priority Audit Recommendations

2.4 Members will be aware that a Final Audit Report is issued when agreed by Management. This includes an agreement to implement the recommendations made. It is SIAS's responsibility to bring to Members' attention the implementation status of recommendations; it is the responsibility of officers to implement the recommendations by the agreed date.

2.5 The table below summarises progress in implementation of all outstanding internal audit recommendations as at 15 July 2022, with full details given in appendices 3 to 6:

Year	Recommendations made No.	Implemented	Not yet due	Outstanding & request made for extended time or no update provided	Percentage implemented %
2018/19	38	37	0	1	97%
2019/20	37	33	0	4	89%
2020/21	25	22	0	3	88%
2021/22	36	17	14	5	47%

2.6 Since 29 March 2022 Audit Committee, extension to implementation dates have been requested by action owners for nine recommendations as follows:

- Three from the 2019/20 Property audit,
- One from the 2020/21 Garage Income audit,
- One from the 2020/21 Cyber Security audit,
- One from the 2021/22 Section 106 audit,
- Two from the 2021/22 Procurement Cards audit, and
- One from the 2021/22 FM Buildings Compliance audit.

2.7 In respect of the following four recommendations, no updates were received from the action owner:

- One from the 2018/19 Benefits audit (target date 15 March 2022),
- One from the 2019/20 Risk Management audit (target date 31 January 2022),
- One from the 2020/21 Debtors audit (target date 31 December 2021), and
- One from the 2021/22 NDR audit (target date 31 March 2022).

#### Proposed 2022/23 Audit Plan Amendments

2.8 The original approved Shared Services 2022/23 Audit Plan included an allocation of 30 days for audits within the Revenues and Benefits Service. Following a meeting with the Head of Revenues and Benefits and agreement with the Director of Finance (Section 151 Officer) the following audits have been agreed for use of this time and are brought to the attention of this Committee:

- Council Tax
  - NDR (Business Rates)
  - Sundry Debtors
-

## Performance against Targets

### Reporting of Audit Plan Delivery Progress

2.9 To help the Committee assess the current situation in terms of progress against the projects in the 2022/23 Audit Plan, an analysis of agreed start dates is shown at Appendix 2. Dates have been agreed with management and resources allocated accordingly.

2.10 The 2022/23 Annual performance indicators and targets were approved by the SIAS Board in March 2022. Actual performance for Three Rivers District Council (including the Shared Services Plan) against the targets that are monitored in year is set out in the table below.

<b>Performance Indicator</b>	<b>Annual Target</b>	<b>Profiled Target to 15 July 2022</b>	<b>Actual to 15 July 2022</b>
<b>1. Internal Audit Annual Plan Report</b> – approved by March Audit Committee or the first meeting of the financial year should a March committee not meet	Yes	N/A	Yes
<b>2. Annual Internal Audit Plan Delivery</b> – the percentage of the Annual Internal Audit Plan delivered	95%	20% (45 / 224 days)	19% (43.5 / 224.5 days)
<b>3. Project Delivery</b> – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	95%	17% (3 out of 18 projects to draft)	17% (3 out of 18 projects to draft)
<b>4. Client Satisfaction*</b> – percentage of client satisfaction questionnaires returned at 'satisfactory overall' level (minimum of 39/65 overall)	95%	100%	100% (based on two received)
<b>5. Chief Audit Executive's Annual Assurance Opinion and Report</b> – presented at the first Audit Committee meeting of the financial year	Yes	N/A	Yes

**APPENDIX 1 INTERNAL AUDIT PLAN 2022/23 – UPDATE ON POSITION AS AT 15 JULY 2022**

**2022/23 SIAS Audit Plan**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
<b>Key Financial Systems</b>									
Council Tax						10		0.5	In Planning
NDR						10		0.5	In Planning
Sundry Debtors						10		0.5	In Planning
Finance (shared services plan) – allocation to be determined						30		0	
Payroll (shared services plan)						12		0	
<b>Operational Audits</b>									
Arts Council Recovery Fund Grant	Not Assessed	-	-	-	-	3	Yes	3	Final Report Issued
Business Continuity Planning						8	BDO	0.5	In Planning
CIL Spend						8		0	
Contain Outbreak Management Fund Grant	Not Assessed	-	-	-	-	0.5	Yes	0.5	Final Report Issued
Development Management (pre-apps)						8		0	
DFG Capital Grant Certification						2		0	
Housing Allocations						10	Yes	9.5	Draft Report Issued
Housing Condition Surveys & HMOs						8		0	
Property Services						15		0	
Street Naming & Numbering						8		0	

**APPENDIX 1 INTERNAL AUDIT PLAN 2022/23 – UPDATE ON POSITION AS AT 15 JULY 2022**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Trees						10		0	
Green Homes Grant						3	Yes	0.5	In Planning
<b>Contract Management</b>									
No audits									
<b>Shared Learning / Joint Reviews</b>									
Shared Learning / Joint Reviews						4		1	Through Year
<b>IT Audits</b>									
Cyber Security (shared services plan)						15		0	
<b>To Be Allocated</b>									
Unused Contingency (shared services plan)						4		0	
<b>Follow-Up Audits</b>									
Follow-up of outstanding audit recommendations						8		2	Through Year
<b>Strategic Support</b>									
2023/24 Audit Planning						5		0	
Annual Governance Statement						3		3	Complete
Audit Committee						9		2	Through Year
Head of Internal Audit Opinion						3		3	Complete



**APPENDIX 1 INTERNAL AUDIT PLAN 2022/23 – UPDATE ON POSITION AS AT 15 JULY 2022**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
2021/22									
Monitoring and Client Meetings						7		2	Through Year
SIAS Development						3		3	Complete
<b>2021/22 Projects Requiring Completion</b>									
2021/22 Projects Requiring Completion (5 days TRDC plan / 7 days shared services plan)						12		12	Complete
<b>TRDC TOTAL</b>						<b>130.5</b>		<b>35</b>	
<b>SHARED SERVICES TOTAL</b>						<b>98</b>		<b>8.5</b>	
<b>COMBINED TOTAL</b>						<b>228.5</b>		<b>43.5</b>	

Key to recommendation priority levels:

C = Critical

H = High

M = Medium

L = Low

**APPENDIX 2 2022/23 AUDIT PLAN PROJECTED START DATES**

<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>
Housing Allocations <b>Draft Report Issued</b>	Arts Council Recovery Fund <b>Final Report Issued</b>	Contain Outbreak Management Fund Grant <b>Final Report Issued</b>	Business Continuity Planning <b>In Planning</b>	Development Management Pre-apps	Sundry Debtors (Shared Services Plan) <b>In Planning</b>
				Housing Condition Surveys and HMOs	Green Homes Grant <b>In Planning</b>
					DFG Certification

<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
Finance Audits (Shared Services Plan) (scope and dates tbc)	Payroll (Shared Services Plan)	Street Naming & Numbering	Cyber Security (Shared Services Plan)	Trees	
NDR (Shared Services Plan) <b>In Planning</b>	Council tax (Shared Services Plan) <b>In Planning</b>		CIL Spend		
	Property Services (date tbc)				