



Three Rivers District Council
Audit Committee Progress Report
7 December 2021

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 26 November 2021
- Approve amendments to the Audit Plan as at 26 November 2021
- Agree changes to the implementation dates for 6 audit recommendations (paragraph 2.5) for the reasons set out in Appendices 3 to 6
- Agree removal of implemented audit recommendations (Appendices 3 to 6)

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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 2021/22 as at 26 November 2021.
 - b) Proposed amendments to the approved 2021/22 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 26 November 2021.

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 2021/22 Annual Audit Plan was approved by Audit Committee on 23 March 2021.
- 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 30 September 2021.

2. Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 At 26 November 2021, 44% of the 2021/22 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 2020/21 report has been finalised since 30 September 2021 Audit Committee.

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Freedom of	Nov '21	Reasonable	Two medium Two low

Information			
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The following 2021/22 reports have been finalised since 30 September 2021 Audit Committee.

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Payroll System	Sep '21	Substantial	One Low
DFG Determination	Sep '21	N/A	N/A
Data Protection	Nov '21	Substantial	None

All Priority Audit Recommendations

2.3 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.

2.4 The table below summarises progress in implementation of all outstanding internal audit recommendations as at 26 November 2021, 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	32	3	2	86%
2020/21	25	15	7	3	60%
2021/22	3	2	1	0	67%

2.5 Since 30 September 2021 Audit Committee, extension to implementation dates have been requested by action owners for 6 recommendations as follows:

- a) One from the 2018/19 Benefits audit,
- b) One from the 2019/20 Taxi Licensing audit,
- c) One from the 2019/20 Risk Management audit,
- d) One from the 2020/21 Main Accounting audit, and
- e) Two from the 2020/21 Debtors audit.

Proposed 2021/22 Audit Plan Amendments

- 2.6 A new audit of Procurement Cards (shared services plan) has been added to provide assurance over the set-up, record keeping, nature of expenditure incurred and treatment of VAT for purchases made. The audit days have been taken from the contingency budget (shared services plan).

Performance against Targets

Reporting of Audit Plan Delivery Progress

- 2.7 To help the Committee assess the current situation in terms of progress against the projects in the 2021/22 Audit Plan, an analysis of agreed start dates is shown at Appendix 2. Dates have been agreed with management and resources allocated accordingly.
- 2.8 The 2021/22 Annual performance indicators and targets were approved by the SIAS Board in March 2021. 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.

Performance Indicator	Annual Target	Profiled Target to 26 November 2021	Actual to 26 November 2021
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excluding unused contingency).	95%	52% (120 / 231 days)	44% (102 / 231 days)
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects (excludes 2018/19 completion and 'ongoing' pieces).	95%	42% (8 out of 19 projects to draft)	32% (6 out of 19 projects to draft)
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level.	100%	100%	100%
4. Number of High Priority Audit Recommendations agreed	95%	95%	N/A (none made in 2021/22 audits)

- 2.9 In addition, the performance targets listed below are annual in nature. Performance against these targets will be reported in the 2021/22 Head of Assurance's Annual Report:
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- **5. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting, then the plan should be prepared for the first meeting of the civic year.
 - **6. Head of Assurance's Annual Report** – presented at the Audit Committee's first meeting of the civic year.
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APPENDIX 1 INTERNAL AUDIT PLAN 2021/22 – UPDATE ON POSITION AS AT 26 NOVEMBER 2021

2021/22 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Key Financial Systems									
Benefits (shared services plan)						12		2	Terms of Reference Issued
Council Tax (shared services plan)						12		2	Terms of Reference Issued
Creditors (shared services plan)						10		1	Terms of Reference Issued
Main Accounting (shared services plan)						9		1	Terms of Reference Issued
NDR (shared services plan)						12		2	Terms of Reference Issued
Payroll (shared services plan)						10		1	In Planning
Operational Audits									
Arts Council Recovery Fund Grant						5	Yes	5	Complete
Data Protection	Substantial	0	0	0	0	8	BDO	8	Final Report Issued
Complaints Handling						8	Yes	0	Due quarter 4
DFG Capital Grant Certification						2	Yes	2	Complete
Equalities and Diversity						7	BDO	3	In Fieldwork
FM Building Compliance						8	BDO	0.5	In Planning
Payroll System (shared services plan)	Substantial	0	0	0	1	12	BDO	12	Final Report Issued
Private Sector Rented	Reasonable	0	0	0	1	7	Yes	7	Final Report Issued

APPENDIX 1 INTERNAL AUDIT PLAN 2021/22 – UPDATE ON POSITION AS AT 26 NOVEMBER 2021

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Accommodation									
Section 106						8	Yes	0.5	In Planning
Procurement Cards (shared services plan)						8		0	Due quarter 4
Contract Management									
Leisure Contract	Substantial	0	0	0	0	12	Yes	12	Final Report Issued
Contract Spend						8	Yes	0.5	In Planning
Shared Learning / Joint Reviews									
Shared Learning / Joint Reviews						4		0	
IT Audits									
Cyber Security (shared services plan)						15	BDO	0.5	In Planning
To Be Allocated									
Unused Contingency (shared services plan)						9		0	
Follow-Up Audits									
Follow-up of outstanding audit recommendations						8		6	Through Year
Strategic Support									
2022/23 Audit Planning						5		0	Due quarter 4

APPENDIX 1 INTERNAL AUDIT PLAN 2021/22 – UPDATE ON POSITION AS AT 26 NOVEMBER 2021

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Annual Governance Statement						3		3	Complete
Audit Committee						9		7	Through Year
Head of Internal Audit Opinion 2020/21						3		3	Complete
Monitoring and Client Meetings						9		6	Through Year
SIAS Development						3		3	Complete
2020/21 Projects Requiring Completion									
2020/21 Projects Requiring Completion (6 days TRDC plan / 8 days shared services plan)						14		14	Complete
TRDC TOTAL						123		72.5	
SHARED SERVICES TOTAL						117		29.5	
COMBINED TOTAL						240		102	

Key to recommendation priority levels:

- C = Critical
- H = High
- M = Medium
- L = Low

APPENDIX 2 2021/22 AUDIT PLAN PROJECTED START DATES

Apr	May	Jun	July	Aug	Sept
	Private Sector Rented Accommodation Final Report Issued	Leisure Contract Final Report Issued		Data Protection Final Report Issued	DFG Grant Certification Complete
	Arts Council Culture Recovery Fund Grant Certification Complete	New Payroll System Final Report Issued			

Oct	Nov	Dec	Jan	Feb	Mar
Council Tax (shared services plan) Terms of Reference Issued	Equalities & Diversity In Fieldwork	Creditors (shared services plan) Terms of Reference Issued	FM Building Compliance In Planning	Complaints Handling	Procurement Cards (shared services plan)
NDR (shared services plan) Terms of Reference Issued	Benefits (shared services plan) Terms of Reference Issued		Section 106 In Planning	Contract Spend In Planning	

APPENDIX 2 2021/22 AUDIT PLAN PROJECTED START DATES

Oct	Nov	Dec	Jan	Feb	Mar
	Main Accounting (shared services plan) Terms of Reference Issued		Cyber Security (shared services plan) In Planning	Payroll (shared services plan) In Planning	
