



Selby District Council

Internal Audit Progress Report 2020/21

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Background

- 1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the standards, the Head of Internal Audit is required to regularly report progress on the delivery of the internal audit plan to the Audit and Governance Committee and to identify any emerging issues which need to be brought to the attention of the Committee.
- 2 Members approved the 2020/21 Internal Audit Plan at their meeting on 29th July 2020. This was delayed due to Covid-19 and the plan included an allocation of time for work in response to Covid-19. The total number of planned days for delivery of internal audits in 2020/21 was 235 days. There is also an allocation of 25 days for risk management.

Internal Audit Work In Progress 2020/21

- 3 Annex 1 summarises the work in progress for the 2020/21 plan. Work is underway on a number of audits, with the majority being at the planning stage.
- 4 The audits listed are those that are underway or have been agreed with management to take place during the year. Further audits will be added as the year progresses and as these are agreed with management. Audits to be completed will include consideration of emerging issues and risks arising from Covid-19.
- 5 All audits are currently being carried out remotely and virtual meetings held with officers.
- 6 There were some outstanding audits from 2019/20, where fieldwork had been completed or draft reports issued when Covid-19 led to normal audit work being temporarily suspended at the request of the council. Where appropriate, issues identified from this work have been reported. Where actions are required, these will be agreed with managers as part of 2020/21 work.

Follow up of agreed actions

- 7 It is important that agreed actions are formally followed-up to ensure that they have been implemented. Where necessary internal audit will undertake further detailed review to ensure the actions have resulted in the necessary improvement in control.
- 8 A number of actions have revised implementation dates. This is done where the delay in addressing an issue will not lead to unacceptable exposure to risk and where, for example, the delays are unavoidable. Covid-19 and the demands on officers time in dealing with this would be expected to lead to some delays. These actions will be followed up after the revised target date and if necessary they will be raised with senior managers in accordance with the escalation procedure.
- 10 All 42 agreed actions from 2017/18 audits have been followed up with the responsible officers. Of these, 39 have been satisfactorily implemented. The other three actions had not been implemented by the target date; a revised target date

was subsequently agreed and the action will be followed up again after that point. A summary of this follow up work is included below:

2017/18 Follow-up status

Action status	Total No.	Action Priority		
		1	2	3
Actions now implemented	39	1	19	19
Revised date agreed	3	1	1	1
Follow up in progress	0	0	0	0
Not yet followed up	0	0	0	0
Total agreed actions	42	2	20	20

- 11 A total of 63 agreed actions from 2018/19 audits have been followed up with the responsible officers. Of these, 36 have been satisfactorily implemented. In the other 27 cases a revised target date has been agreed and the action will be followed up again after that point. A summary of this follow up work is included below:

2018/19 Follow-up status

Action status	Total No.	Action Priority		
		1	2	3
Actions now implemented	36	1	23	12
Revised date agreed	22	0	13	9
Follow up in progress	5	0	4	1
Not yet followed up	0	0	0	0
Total agreed actions	63	1	40	22

- 12 Where 2019/20 audits had been finalised, actions will be followed up as normal. Two actions have already been implemented. Other actions were not yet due and as a result of Covid-19 some follow up action was delayed. These are now being followed up as normal.
- 13 A number of 2019/20 audits were at the draft report issued stage when Covid-19 led to normal audit work being temporarily suspended to allow officers and Veritau to concentrate on responding to Covid-19 (see annex 2 for list of these audits). Where issues were identified these will be discussed with officers as part of 2020/21 audit work and actions agreed with managers.
- 14 Where Priority two actions have been revised for more than 6 months, details and current status can be found at annex 3.

2020/21 Audits

Audit	Status
<u>Corporate Risk Register</u>	
Health and Safety	Planning commenced
<u>Financial Systems</u>	
Council Tax & NNDR	Planning commenced
Benefits	Planning commenced
Creditors	Planning commenced
General Ledger	Planning commenced
Debtors	Planning commenced
Payroll	Planning commenced
<u>Operational, Technical and Project Audits</u>	
Absence Management	Planning commenced
Data Quality	Planning commenced
Contract Management and Procurement	Planning commenced
Environmental Health	Planning commenced

Draft Reports Issued

There are nine 2019/20 audits where fieldwork was completed or draft reports issued but not finalised due to Covid-19. In most cases, any issues identified will be discussed further as part of 2020/21 work and actions will be agreed with management as part reporting of 2020/21 work. These audits and the draft audit opinion were reported as part of the Head of Internal Audit annual report to audit and governance committee on 29th July 2020 and are detailed below for information.

Audit	Status¹
Corporate Risk Register	
Savings Delivery	Draft report issued (Reasonable Assurance)
Financial Resilience	Draft report issued (Substantial Assurance)
Financial Systems	
Benefits	Draft report issued (Substantial Assurance)
Council Tax & NNDR	Fieldwork completed (Reasonable Assurance)
Creditors	Fieldwork completed (Reasonable Assurance)
General Ledger	Draft report issued (Substantial Assurance)
Regularity / Operational Audits	
Community Infrastructure Levy	Draft report issued (Reasonable Assurance)
Data Quality	Draft report issued (Substantial Assurance)
Health and Safety	Draft report issued (Substantial Assurance)

¹ Draft audit opinions have been included in brackets where reports have not been finalised due to Covid-19. The opinion could change if significant new information is received which changes the auditors opinion of risk and control.

Annex 3: P2 actions or above with revised dates of more than 6 months

Audit	Agreed Action	Priority rating	Responsible Officer	Due	Notes
Information Governance	The agreed actions have been consolidated into one action. These actions have been included in the Council's GDPR action plan – with Veritau acting as DPO for SDC.	2	Chief Finance Officer (SIRO)	31 March 2021	<p>Most actions relating to DPA 2018 & GDPR have been completed and reported to Selby CIGG.</p> <p>On-going work is required in relation to information asset management and law enforcement processing which is included within the Information Governance work programme agreed with the Data Protection Officer (Veritau).</p>
Payment Card Industry Data Security Standard (PCI DSS)	New software purchased as old system ceased to be supported. Implementation of new software should resolve PCI DSS issues Management responsibility has been defined. Responsibility for completing annual PCI DSS assessment to be assigned.	1	Head of Business Development & Improvement	31 December 2020	The council procured a new system during 2019-20 to enable PCI DSS compliance. Whilst originally it was hoped that this would be implemented by September 2020, delays due to Covid-19 mean this is now likely to be delayed slightly to December 2020. The new system should resolve

					PCIDSS issues.
Contract Management and Procurement	<p>An audit found there were no procedures for reporting breaches of the Contract Procedure Rules once they have been identified.</p> <p>CPRs have been updated but due to Covid-19 follow up testing has not been completed to confirm the implementation and effectiveness of the new procedures.</p>	2	Head of Commissioning, Contracts & Procurement	31 March 2020	<p>The CPRs have been updated to include that breaches are a serious matter that need to be reported so that they can be investigated further. The CPRs also include details on who breaches should be reported to.</p> <p>This will be followed up further as part of 2020/21 work on contract management and procurement.</p>
Performance Management	<p>PDR guidance to be reviewed and updated</p> <p>HR to undertake QA review of sample of PDRs</p> <p>Return rate of PDRs to be monitored & all PDRs reviewed and returned to manager if not complete.</p> <p>Training plan to be completed promptly following PDR process.</p>	2	Head of Business Development and Improvement	Revised date 31 December 2020	<p>A wholesale review of PDRs is planned for 2020 but this has been delayed.</p> <p>Existing guidance will be updated in advance of the next round of PDRs, to be completed at the end of 2020/21.</p>