

INTERNAL AUDIT – MONITORING REPORT 31st October 2019

REPORT OF: Audit and Risk Manager
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Wards Affected: All MSDC Wards
Key Decision: No
Report to: Audit Committee
12th November 2019

Purpose of Report

1. The purpose of this report is twofold; to update the Committee on the progress of the 2018/2019 and 2019/2020 Internal Audit Plans and to report on the progress made in implementing previously agreed recommendations.

Recommendation

2. The Committee is asked to receive this report.

Background

3. Work Completed

Since the last report, as at 31st August 2019, the following reviews have been completed.

Audit Title	Audit Opinion
Procurement Short Review	Limited Assurance
HR	Satisfactory Assurance
Commercial Properties	Satisfactory Assurance

4. Work in Progress

The reviews in progress and other work that we have undertaken in the period are shown at Appendix A.

5. High priority findings in this period

We identified two high priority findings in this period as follows:

5.1 HR Review

We have recently completed a review to confirm that the Human Resources section undertake appropriate pre-employment checks.

We are satisfied that the necessary checks are being undertaken, but we identified one high priority finding as follows:

It is a requirement that a copy of each document used to confirm that the prospective employee has the right to work in the country is copied and retained for two years after they have left the Council.

We confirmed for a sample of half of all new employees since 1st April 2019 that this had been done. However it is a further requirement that the officer checking the documentation makes a secure record of the date on which the check was undertaken is made. Whilst the checking officer does sign and date the copy of the documentation, this is not in line with the relevant guidance which states that:

Simply writing the date on which the check was made on the copy document does not in itself confirm that it is the actual date when the check was undertaken. If the date is written on the copy document, it must also be recorded that this is the date on which the check was conducted

We have discussed this with Management and it has been agreed that this will now be done in accordance with the guidance, with immediate effect.

5.2 Procurement

We have completed a short review to confirm that relevant contracts have been placed on the Contract Register and that all purchase orders over £5,000 have been notified to Legal for placing on the Contract Register, both which are requirements of the Transparency Code 2015.

The Council's Constitution also states that:

“any Officer of the Council must comply with the Council's Transparency Code obligations by promptly submitting information about any procurement or commissioned activity over £5,000 to Legal Services using the eform on the intranet”.

We are happy that all relevant contracts are recorded on the Contract Register. However, we found that the process for completing the eform for purchase orders over £5,000 is not always undertaken and they are therefore not always recorded on the Contract Register.

We raised this issue in January 2017, where we identified that out of 35 purchase orders over £5,000, 18 were not shown on the Contract Register and an improvement was made at that time in maintaining the Contract Register.

We have discussed this high priority finding with Management and action has been agreed that the reasons for members of staff not using the eform on the intranet will be investigated and appropriate action taken to encourage this.

Implementation Date: 31st December 2019

6. Follow Up Audits:

We have undertaken these follow ups since the last Audit Committee on 10th September 2019.

Housing Benefits – 31st January 2019

High Priority findings – 1 –previously implemented

Medium priority findings – 3 with 1 previously implemented

Medium Priority Findings

The medium priority findings that we identified related to the following:

- 6.1 Procedure notes for the Housing Benefits section have not been updated to reflect the new structure and processes that are not in place – *agreed implementation date – ongoing. Whilst a date for completion had not been set, this is an ongoing piece of work. The update as 25th October 2019 is that the Housing Benefits section have mapped the processes but the procedures for the Housing Benefit section are still work in progress. The Housing Benefits section hope to complete this work by 31st March 2020.*

As at 25th October, the date on which this report was finalised, the Business Unit Leader, Revenues and Benefits has confirmed that his team continue to work on bringing the procedures up to date but this is not yet complete. Their aim is to complete the task in the next two weeks. I will therefore provide a verbal update at the meeting and if the update to the procedure notes is not complete, the Business Unit Leader, Revenues and Benefits will attend the meeting to discuss this matter.

Status of agreed action – Outstanding

- 6.2 At the time of the audit, we also recommended that a review should be undertaken to confirm that access to the Housing Benefit system is appropriately restricted and the implementation date was 18th March 2019. This has now been completed.

Status of agreed action – Implemented subject to confirmation in the forthcoming Housing Benefits audit.

The Business Leader, Revenues and Benefits has confirmed that a review has now been conducted of all Academy systems (Housing Benefits, NNDR and Council Tax) and all inappropriate access to the system has been removed.

We will confirm that this is the case when we undertake the Housing Benefits audit in December 2019.

7. Work in Progress

The reviews in progress and other work that has been undertaken in the period are shown at Appendix A.

All work has been planned and allocated to Audit staff and we are confident that the audit plan will be substantially complete by 31st March 2019.

Background Papers

- Internal Audit reports relating to 2018/2019 and 2019/2020
- Working papers relating to 2018/2019 and 2019/2020

Internal Audit Plans 2018/2019 and 2019/2020

Progress Report as at 25th October 2019

Audit	Audit Plan Year	Audit Opinion-Assurance	Number of High Priority Findings	Comments
A. Work Completed in the Current Period				
Procurement Quick Review	2019/20	Limited	1	
HR Review	2019/20	Satisfactory	1	
Commercial Properties	2019/20	Satisfactory		
B. Work In Progress				
Sundry Debtors	2019/20			
Payments	2019/20			
Building Control	2019/20			
Follow Ups				
Housing Benefits	2018/19		1	One medium action outstanding