

INTERNAL AUDIT – MONITORING REPORT 31st August 2020

REPORT OF: Audit and Risk Manager
Contact Officer: Gillian Edwards
Email: gillian.edwards@midsussex.gov.uk Tel: 01444 477241
Wards Affected: All MSDC Wards
Key Decision: No
Report to: Audit Committee
15th September 2020

Purpose of Report

1. The purpose of this report is twofold; to update the Committee on the progress of the 2019/2020 and 2020/2021 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 3rd March 2020, the following reviews have been completed.

Audit Title	Audit Opinion
Capital Accounting	Substantial
Housing Benefits	Substantial
FMS	Substantial
Building Control	Satisfactory
Treasury Management	Substantial
Budgetary Control	Substantial
Cash and Bank	Satisfactory

We completed in full the 2019/2020 Internal Audit Plan.

Due to the COVID-19 pandemic, we were unable to commence work on 2020/2021 until the end of July 2020. However, I am confident that we will complete the current work as agreed in the 2020/2021 Internal Audit Plan by 31st March 2021.

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

5.1 **Cash and Bank Audit 2019/2020**
Final Report Date: 28th May 2020

During this review, we identified two high priority findings as follows:

Bank Reconciliation – Completion and Procedure Notes

Following the introduction of the T1 FMS system in September 2019, bank reconciliations were not completed in a timely manner. The bank reconciliations for September and October 2019 were not received until March 2020.

The bank reconciliation's that were received did not have any procedures as to how they were to be compiled on T1 nor were they accompanied by copies of the months bank statements.

It was agreed that the bank reconciliations would be brought up to date, with procedure notes developed to support the process.

Please see section 5 below for an update on the status of the agreed actions.

6. Follow Up Audits:

6.1 **Cash and Bank – 28th May 2020**
High Priority findings – 2

We have received copies of the outstanding bank reconciliations and can confirm that they are now up to date.

We have also received comprehensive and documented guidance notes showing the processes followed to perform the bank reconciliations, and assurances that their preparation will continue in a timely manner.

Status of agreed action – Implemented.

7. Work in Progress

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

7.2 All work has been planned and allocated to Audit staff and we are confident that the audit plan will be complete by 31st March 2021.

Background Papers

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

Internal Audit Plans 2019/2020 and 2020/2021

Progress Report as at 31st August 2020

Audit	Audit Plan Year	Audit Opinion-Assurance	Number of High Priority Findings	Comments
A. Work Completed in the Current Period				
Capital Accounting	2019/20	Substantial		
Housing Benefits	2019/20	Substantial		
FMS	2019/20	Substantial		
Building Control	2019/20	Satisfactory		
Treasury Management	2019/20	Substantial		
Budgetary Control	2019/20	Substantial		
Cash and Bank	2019/20	Satisfactory	2	
B. Work In Progress				
Payroll Systems Post Implementation Review	2020/21			
Tech 1 System Post Implementation Review	2020/21			
Disabled Facility Grants	2020/21			
Follow Ups				
Cash and Bank	2020/21			