

GOVERNANCE COMMITTEE

WEDNESDAY, 25TH NOVEMBER 2020, 2.30 PM

THE LANCASTRIAN, TOWN HALL, CHORLEY AND VIA MICROSOFT TEAMS

I am now able to enclose, for consideration at the above meeting of the Governance Committee, the following report that was unavailable when the agenda was published.

Agenda No Item

6	INTERNAL AUDIT ANNUAL PLAN PROGRESS REPORT APRIL TO OCTOBER	(Pages 49 - 56)
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To receive and consider the report of the Director of Governance.

GARY HALL
CHIEF EXECUTIVE

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Report of	Meeting	Date
Director of Governance	Governance Committee	25 November 2020

INTERNAL AUDIT UPDATE

PURPOSE OF REPORT

- To inform members of reprioritisation of work undertaken by Internal Audit.

RECOMMENDATION(S)

- That the report be noted.

EXECUTIVE SUMMARY OF REPORT

- Members were advised at the September meeting of capacity issues in the Internal Audit team and the steps taken to resolve these issues.
- This report will update members on the reprioritisation of work that has been undertaken and progress against this work.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	X

BACKGROUND

- Appended to this report is an improved presentation of the internal audit work plan for this year which includes progress against audit work undertaken.
- Members will note however there remains limited allocated time to the plan. This report will explain the reasons for this.

IMPACT OF COVID

- As outlined at the last meeting, Covid had a significant impact on the staffing of internal audit as they were seconded to support the community hub in South Ribble BC until the end of August. As a result no time was allocated to delivery of the internal audit plan in that period.

9. Since the ending of the last lockdown period, internal audit have spent a significant amount of time supporting teams delivering financial grant support to residents. Internal audit worked with teams on the processes to be used in processing grant applications, and then subsequently undertook reviews of those processes to certify that they were compliant with government guidance that was issued after the processes were established.
10. It is not only the capacity of internal audit that has effected the delivery of the planned work. Teams due to be audited have also been directed onto covid support works or are working from home. In both situations this limits the ability of internal audit to undertake the audit work effectively or at all.

INTERNAL AUDIT PLAN

11. An updated version of the internal audit plan is appended to this report (appendix A). This does show progress against the outstanding actions. For most areas it is hoped to deliver Chorley actions this year. The document progress is updated in the text below.

Shared services

- Small Business Grants – LR to co-ordinate and agree with Chris M the process
- Creditors – both Councils – following analysis of data (PO and invoices paid) queries to be issued, following receipt of responses the report findings can then be agreed
- Budget monitoring – work is ongoing
- CT : NNDR : Housing Benefit – Completed
- NFI - Main CBC all data uploaded, awaiting any queries from Cabinet office and then results due end of Jan 21
- SPD – estimated data upload December
- COVID-19 grants – specifications issued to data holders, working with them to ensure data can be provided in December
- Optional data – specifications issued, waiting to hear from Cabinet Office when we can upload the data
- CBC - Anti Money Laundering - Audit engagement plan to be issued
- CBC & SRBC – ICT Review – Teams meeting 12.11.20 with Paula Fagan – MIAA : LR & SF – background required as prior Interim Head Of Audit & Assurance who dealt with MIAA had left the Council. Getting information from MIAA for correlation, before Audit by MIAA can begin, once agreed with Service Manages / Directors

Chorley BC

- NFI Data Matching Review of Financial Matches - responsibility for investigating specific reports will be allocated upon receipt of matches (end of Jan 21). Work will commence following receipt of matches from Cabinet Office February 2021
 - Events - Final to be issued
 - Waste & Recycling Contract - Complete- Final issued
 - Bereavements Services - Final to be issued
 - Syrian Resettlement Programme – Final to be issued
 - Sundry Debtors - Final to be issued
 - Outdoor Leisure Contract – Draft AEP to be reviewed before issue to Service Managers
 - Whistle Blowing Policy – Draft AEP to be reviewed before issue to Service Managers
 - Housing Standards - enforcement & immigration inspections - Draft AEP to be reviewed before issue to Service Managers
12. This has been a challenging year. The priority has been placed on the delivery of the audit plan and additional work, rather than reporting on progress.

IMPLICATIONS OF REPORT

13. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

14. Risk has been reviewed throughout the decision making in relation to the progress of the internal audit plan. It is recognised that Chorley has a strong governance framework and it is noted that the audit work will largely be completed in the municipal year albeit delayed in year.

COMMENTS OF THE STATUTORY FINANCE OFFICER

15. No comments

COMMENTS OF THE MONITORING OFFICER

16. No comments

Chris Moister
 DIRECTOR OF GOVERNANCE

Report Author	Ext	Date
Chris Moister	5160	***

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CBC & Shared Services - Audit Plan August 2020 - March 2021 - 22.10.20

WORK AREA	Year	Total Actual	Balance	Qtr audit expected to be completed	Interim Senior Auditor Comments
CHORLEY COUNCIL			(+/-)		
CORPORATE AREAS					As At 22nd October 2020
Annual Governance Statement	20-21	0		Q1 21-22	Supporting AGS process
Assurance Mapping	19-20				Work to identify all assurance provided and provide assurance map to ensure audit work is complementary to other assurance work and does not duplicate. Document is in draft requires agreeing with SMT.
Anti-Fraud & Corruption	20-21	0.6		Q4	Policy updates, fraud alerts, training etc. as required.
NFI					
- Main	20-21				Allocated - Data specs and guidance issued to data holders and data upload contacts. Data upload users access set up on the NFI website. Confirmation obtained of compliance with privacy notice requirements and data spec. Comms issued timely reminder via website/Twitter. Data uploaded 2/6 datasets completed to date.
- Small Business Grants	20-21	4.7		Q4	
- Business Rates & Grants	20-21	0		Q4	Not allocated yet - Stand alone NFI exercise.
- Market Traders and Personal Alcohol Licence holders	20-21	0.2		Q4	Allocated - Initial discussion with data holders and draft data specs and privacy notice requirements issued.
- SPD	20-21	0		Q4	Allocated - Work will commence on this later in the year.
- SPD	20-21	0.2		Q4	Allocated - Data Specs and guidance issued to data holders.
NFI Data Matching Review of Financial Matches	20-21	0		Q3/Q1 21-22	Not allocated yet - work will commence following receipt of matches from Cabinet Office February 2021
FINANCE					
Income Collection & Receipt	20-21	0		Q4	Unallocated - at present.

POLICY & GOVERNANCE					
Legal, Democratic & HR Services					
GDPR Compliance Reviews	19-20	3.5	Q3	Completed final report issued. Adequate rating.	
Whistleblowing Policy & Review	20-21	3.5	Q3	Allocated - Draft AEP forwarded to Service Managers. Awaiting further response from one service manager.	
Elections		0	Q4	Unallocated	
Performance & Partnerships					
Performance Management Information	20-21	0	Q4	Unallocated	
Communications & Events					
Events	19-20	0.5	Q3	Allocated - finalising the report	
CUSTOMER & DIGITAL					
Transformation					
Council Tax		0	Q3	Completed - final report issued. Full Assurance rating.	
NNDR		0	Q3	Completed - final report issued. Substantial Assurance rating.	
Housing Benefits	19-20	9.9	Q3	Allocated - draft report is in progress	
Sundry Debtors	19-20	9.9	Q3	Allocated - draft report is in progress	
Waste & Streetscene					
Bereavement Services	19-20	0.2	Q3	Finalising report	
Contract Management / Compliance Refuse Collection	19-20	0.2	Q3	Finalising report	
		0			
ICT Services					
ICT Review	20-21	0	Q4	Allocated	
EARLY INTERVENTION & NEIGHBOURHOODS					
Health & Wellbeing					
Outdoor Leisure Contract	19-20	1.5	Q4	Allocated in the process of gaining further data before processing with draft AEP.	
Syrian Resettlement Funding (NEW AREA)	19-20	3.4	Q3	Finalising report	
Regulatory Services					

Housing Standards - enforcement & immigration inspections	20-21	1		Q3	Allocated - AEP in progress.
BUSINESS DEVELOPMENT & GROWTH					
Market Walk & Town Centre					
Property Services					
Asset Management - repairs & maintenance	19--20	0.3		Q3	Allocated - follow up meeting to progress actions agreed.
Commercial Properties	19-20	0.3		Q3	Allocated - follow up meeting to progress actions agreed.
GENERAL AREAS					
Project Support		0		Ongoing	
Risk & Control Self-Assessment (GRACE)		0		Ongoing	
Post Audit Reviews		0		Q4	Process to be reinstated.
Contingency / Irregularities		0		Ongoing	
Governance Committee		0		Ongoing	
Impact of COVID on the control environment - Identify controls that have been relaxed/changed & assess impact/ are risks sufficiently mitigated	20-21	0.2		Q4	Unallocated - at present. But some work has been carried out one of the auditors has set up a spreadsheet to collate responses received & ensure that all services respond.
Review process for Test and Trace support payments for individuals	20-21	0.6		Q3	Allocated - process reviewed and ongoing advice is provided as required.
Covid Grants Review	20-21	0.2		Q4	Allocated. This review relates to providing assurance relating to post-grant payment checks i.e. have the right people received the right amount as per the Govn rules and local policy/procedures.
CHORLEY SUB-TOTAL		40.9	0		
SHARED SERVICES					
SHARED FINANCIAL SERVICES					
Creditor	19-20	5.7		Q3	Allocated - Data obtained for the full year 2019/20 - work is ongoing reviewing the instances where there are significant variances between original order value and invoiced value.
Procurement	19-20	0		Q4	Allocated - in progress.
Money Laundering	19-20	0		Q4	Unallocated

