

Eden District Council
Accounts and Governance Committee
 7 July 2021

Internal Audit - Summary Internal Controls Assurance Report 2021/22

Portfolio:	None
Report from:	Interim Director of Resources
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

1.1 To present the Summary Internal Controls Assurance Report 2021/22.

2 Recommendation

2.1 Note the report and Summary Internal Controls Assurance Report 2021/22 from TIAA attached at Appendix 1.

3 Report Details

3.1 The Summary Internal Controls Assurance Report 2021/22 is attached at Appendix 1. The report sets out the work completed by TIAA since the last report and in comparison with the Audit Plan.

3.2 The audits completed have reasonable or substantial assurance and there are no concerns raised at this point. We will seek to address recommendations made from the reports in line with the agreed actions planned.

4 Policy Framework

4.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, Safe and Secure;
- Connected; and
- Creative.

4.2 This report meets the Quality Council corporate priority.

5 Consultation

5.1 There has been no consultation with Ward Councillors or Portfolio Holders.

6 Implications

6.1 Financial and Resources

6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

6.1.2 There are no financial or resources implications.

6.2 Legal

6.2 There are no legal implications.

6.3 Human Resources

6.3 There are no human resources implications.

6.4 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	There are no implications
Health, Social Environmental and Economic Impact	There are no implications
Crime and Disorder	There are no implications
Children and Safeguarding	There are no implications

6.5 Risk Management

Risk	Consequence	Controls Required
Issues raised by Internal Audit are not appropriately actioned by management	Weak systems control, increased risk of theft and fraud.	Reporting of internal audit recommendations publicly to Committee and tracking implementation of these.
Audit programme slippage	Approved programme not delivered, resources not directed as planned and reported.	Regular reporting on internal audit progress.

7 Other Options Considered

7.1 No other options have been considered.

8 Reasons for the Decision/Recommendation

8.1 To keep Members updated on the progress with closedown and the external audit plan.

Background Papers: None

Appendices: Appendix 1 – Summary Internal Controls Assurance Report 2020/21

Contact Officer: Paul Sutton, Interim Director of Resources

FINAL

Eden District Council

Summary Internal Controls Assurance (SICA) Report

2021/22

June 2021

Summary Internal Controls Assurance

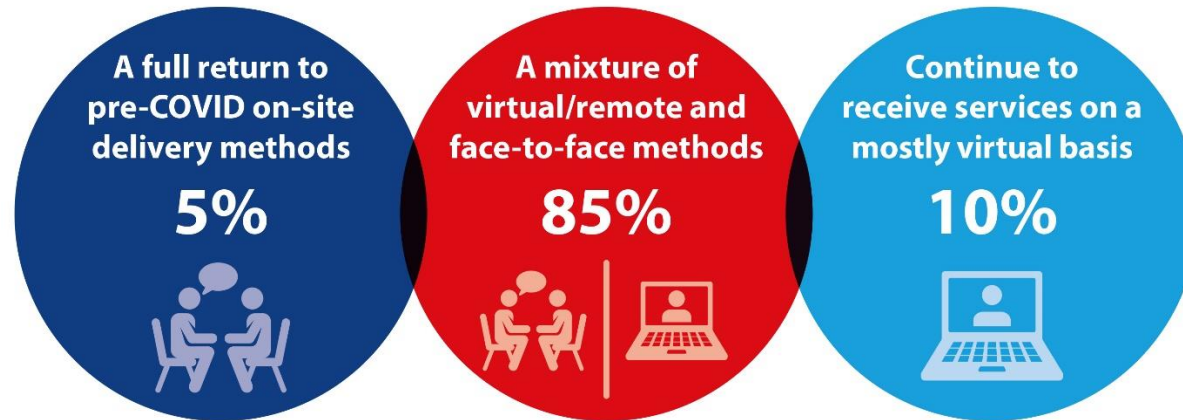
Introduction

1. This summary report provides the Accounts and Governance Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Eden District Council as at 29th June 2021.

Emerging Governance, Risk and Internal Control Related Issues

2. With the easing of restrictions come the decisions by many businesses as to how they are going to operate in a post-lockdown world. There is a balance between the creativity and collaboration that arises from being in the same workplace and the benefits that arise from remote working and embracing of technology. Our approach is largely driven by how our clients are going to operate so we decided to ask their thoughts as part of our annual client survey. The majority of respondents said that they would prefer a mixture of virtual/remote and face-to-face provision of assurance services in the future. This is largely what we expected, although we recognise that is likely to vary between sectors.

How our clients would like their organisation's assurance services provided



3. Whichever model is adopted, we will continue to consider the impact on Governance, Risk and Internal Control of any changes to working practices.

Audits completed since the last SICA report to the Audit Committee

4. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Business Rates	Substantial	7 th April 2021	28 th June 2021	28 th June 2021	-	-	-	-
ICT Civica Upgrade Implementation	Reasonable	9 th June 2021	28 th June 2021	29 th June 2021	-	3	1	-
Licensing	Substantial	15 th June 2021	29 th June 2021	29 th June 2021	-	-	-	-
Property Management – Landlord Compliance	Reasonable	9 th June 2021	28 th June 2021	29 th June 2021	-	4	-	-

5. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2021/22 Annual Plan

6. Our progress against the Annual Plan for 2021/22 is set out in Appendix B.

Changes to the Annual Plan 2021/22

7. The Pre-Procurement and Follow Up reviews of the Recycling / Waste Contract have been cancelled as the recommendation made to Councillors is to extend the existing contracts. It is proposed that the time from these two reviews, along with the contingency time, is utilised to undertake a review of the Covid-19 Grants.

Progress in actioning priority 1 recommendations

8. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

Frauds/Irregularities

9. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

10. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report.


Responsibility/Disclaimer

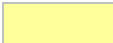
11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments	Date to Committee
Property Management – Landlord Compliance inc. Heart of Cumbria	1	Complete	Final Report Issued	July 2021
Recycling / Waste Contract – Pre Procurement Checks	1	Cancelled	Review Cancelled – current contracts being extended.	N/A
Licencing	1	Complete	Final Report Issued	July 2021
Local Code of Governance	2	Planned Start Date 20 th September 2021		
Cyber Security / Fraud Arrangements	2	tbc		
Development Control	2	Planned Start Date 6 th August 2021		
Insurance	3	Planned Start Date 18 th October 2021		
Debtors	3	tbc		
Main Accounting Systems	3	Planned Start Date 3 rd November 2021		
ICT Service Level Agreement	3	tbc		
Leisure Management – Contract Review	3	Planned Start Date 10 th December 2021		
Income Collection	4	tbc		
Council Tax	4	tbc		
Recycling / Waste Management – Follow Up Review	4	Cancelled	Review Cancelled – current contracts being extended.	N/A
Follow Up	1 - 4	On-going	Next report to July Committee	All

KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk and Control which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and Fraud Alerts issued in the last three months which may be of relevance to Eden District Council is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 21015	Grenfell Inquiry Fire Safety Bill		No Action Required To note awaiting further legislation and potential action.
CBN - 21014	National Audit Office – Guidance for Senior Leaders to improve operational delivery		Action Required Not Urgent Chief Executives, Chief Operating Officers and Operational senior management are asked to note the guidance and to reflect on the principles outlined in respect of the application within their own organisation.
CBN - 21013	Liverpool City Council Best Value Inspection December 2020 – March 2021		Action Required Not Urgent Audit Committees and Boards/Governing Bodies are advised to review practices referred to in the report, with particular emphasis on the eight points noted within recommendation three.