



Selby District Council

Internal Audit Progress Report 2020/21

Audit Manager:
Head of Internal Audit:
Date:

Ed Martin
Max Thomas
27th January 2021



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. Fieldwork has recently been completed or is in progress for 8 audits. It is expected that reports for these audits will be issued in quarter 4 and reported to this committee in the next progress report. Planning has commenced on a further 5 audits and it is expected that fieldwork will be completed in quarter 4.
- 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 agreed with management and completed in quarter 4.
- 5 All audits are currently being carried out remotely and virtual meetings held with officers. It will be a significant challenge to complete all work to expected deadlines. Continued assistance and prioritisation by officers from now until the end of April 2021 is essential to help us complete our plan of work.
- 6 Some issues were identified in 2019/20 work but reports were not finalised due to normal audit work being temporarily suspended at the request of the council due to Covid-19. Current work will identify where these issues still need to be addressed. Where actions are required, these will be agreed with managers as part of 2020/21 audit reports.

Follow up of agreed actions

- 7 It is important that agreed actions are formally followed-up to ensure that they have been implemented. However, during the ongoing Covid-19 pandemic, given the additional demands on officers, Veritau has agreed with management to take a pragmatic approach to follow up work. We have therefore concentrated resources on following up higher priority actions. Completion of lower priority actions has continued to be monitored but less active follow up work has been undertaken.
- 8 It is normal practice for some actions to have revised implementation dates. For example, where the delay in addressing an issue will not lead to unacceptable exposure to risk and where delays are unavoidable. Due to Covid-19 and the demands on officers' time it is expected a larger number of revised implementation dates will be agreed.

- 9 This report highlights to the committee where priority 1 and priority 2 actions agreed as part of previous audit have implementation dates revised by more than 12 months from those originally agreed (see Annex 2).

2020/21 Audits

Audit	Status
<u>Corporate Risk Register</u>	
Health and Safety	Planning commenced
<u>Financial Systems</u>	
Council Tax & NNDR	Fieldwork completed
Benefits	Fieldwork in progress
Creditors	Fieldwork in progress
General Ledger	Fieldwork completed
Debtors	Planning commenced
Payroll	Planning commenced
Housing Rents	Planning commenced
<u>Operational, Technical and Project Audits</u>	
Absence Management	Fieldwork in progress
Data Quality	Planning commenced
Contract Management and Procurement	Fieldwork in progress
<u>Other audit work</u>	
Selby 950 Arts Council grant	Completed (grant certification)
Pooling of Housing Capital Receipts Claim	Fieldwork in progress

Annex 2: P2 actions or above with revised dates of more than 12 months

Audit	Agreed Action	Priority rating	Responsible Officer	Due	Notes
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 March 2021	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 March 2021. The new system should resolve PCI DSS 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 (Completed but being re-assessed as part of current work)	<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 ongoing 2020/21 work on contract management and procurement.</p>

<p>Performance Management</p>	<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>	<p>2</p>	<p>Head of Business Development and Improvement</p>	<p>Revised date 31 March 2021</p>	<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>
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