

AUDIT SCRUTINY COMMITTEE

CHAIRMAN: Councillor Sally Morgan

DATE: 12 September 2019
REPORT OF: Audit & Information Governance Manager
SUBJECT: INTERNAL AUDIT REPORT

PART I

RECOMMENDATION

To note the report.

1. PURPOSE

- 1.1 To advise members of progress against the Audit Plan and the outcomes of completed audits.

2. BACKGROUND

- 2.1 The Audit Plan was approved by the Audit Scrutiny Committee in July and progress is reported at every meeting thereafter.
- 2.2 Internal audit reviews lead to an opinion on the effectiveness of the framework of risk management, control and governance of the area under review. Assurance opinions are graded as follows:

Excellent	☆☆☆☆	The areas reviewed were found to be well controlled, internal controls are in place and operating effectively. Risks against achieving objectives are well managed.
Good	☆☆☆	Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some areas for improvement have been identified.
Fair	☆☆	There is a basic control framework in place, but most of the areas reviewed were not found to be adequately controlled. Generally risks are not well managed and require controls to be strengthened to ensure the achievement of system objectives.
Poor	☆	Controls are seriously lacking or ineffective in their operation. No assurance can be given that the system's objectives will be achieved.

3. AUDIT PLAN 2019 – 2020 Progress

PROJECT	STATUS	OPINION
Governance Review and AGS	Complete	Good
Loans and Grants	In Progress	
DFG Assurance	In Progress	
LAHS Return	Complete	Good
LADR Return	Complete	Good
MHCLG Allocations Return	Complete	Good
Housing Finance	In Progress	
Ecoflex Scheme	In Progress	
Cemeteries	Complete	Good
Community Infrastructure Levy (CIL)	Complete	Good
Risk Register	-	
Benefits & Council Tax Support	-	
Council Tax	-	
Payroll	-	
NDR (Business Rates)	-	
Debtors	-	
Main Accounting & Budgetary Control	-	
Partnerships and Funding Agreements	-	
Empty Homes	-	

3.1 Summarised findings for audits recently completed is shown in **Appendix A** below.

3.2 Members of the team continue to support corporate projects with roles in the One Teignbridge transformation project; the Infrastructure Requirements Board; Procurement Champions Group, and co-ordinating the National Fraud Initiative.

4. CONCLUSION AND RECOMMENDATION

4.1 Members are recommended to note the report.

Sue Heath
Audit & Information Governance Manager

Wards affected	N/A
Contact for any more information	Sue Heath, Audit Manager 01626 215258
Background Papers (For Part I reports only)	Audit Files Final Reports 2019–2020
Key Decision	N
In Forward Plan	N
In Audit Scrutiny Work Programme	Y

**TEIGNBRIDGE DISTRICT COUNCIL
AUDIT SCRUTINY COMMITTEE**

Summary of Internal Audits Completed

PROJECT TITLE	SUMMARY
<p>Governance Review and Annual Governance Statement (AGS)</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>The AGS is a statutory requirement. Governance principles were assessed using the CIPFA / SOLACE framework. The statement explains how Teignbridge has complied with the principles and also meets the requirements of the Accounts and Audit Regulations (England) 2015. The AGS is included in the Financial Statements. It was reported in detail at the June 2019 meeting.</p>
<p>MHCLG Allocations</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>The Government introduced an evidence collection exercise to help understand how the national allocations framework is working across the country. As part of this the Ministry of Housing, Communities & Local Government (MHCLG) sent a survey to all local authority housing authorities to get a better understanding of how social homes (both general needs and supported) are being allocated. Submission of data was via DELTA, the Government's online collection and reporting system and had to be actioned by the 5th July 2019.</p> <p>The Auditor reviewed the data online before it was submitted and found it to be accurate and complete. The submission deadline date was met.</p>
<p>Local Authority Housing Statistics (LAHS)</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>Local Authority Housing Statistics are required to be reported annually to the Ministry of Housing, Communities and Local Government (MHCLG). The audit was requested by the Head of Service Delivery and Improvement to verify the accuracy of data prior to submission on the DELTA system.</p> <p>The Auditor was satisfied the data to be submitted could be verified to the systems from which it derived, calculations were correct and figures accurate. The deadline date for submission was met.</p>
<p>Local Authority Data Return (LADR)</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>This is a new collection process for rents data. Whilst voluntary this year it will be mandatory next year when local authority registered providers will be included in the Regulator of Social Housing (RSH) Rent Standard from April 2020. Data is submitted using NROSH+ the Regulator's data collection website and had to be actioned by the 31st July 2019.</p> <p>Data was reviewed online prior to submission and found to be in line with definitions and requirements. The submission deadline date was met.</p>

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<p>Community Infrastructure Levy (CIL)</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>A review was carried out to test processes in place to determine CIL liability and contributions; ensure calculations are accurate; relief and exemptions only granted where entitlement exists; recovery action instigated for non-payment and penalties and surcharges levied as required. An update on progress on the implementation of recommendations made in the previous report was also obtained.</p> <p>We tested a sample of applications and were able to confirm they were processed in line with CIL regulations. We undertook data comparisons of CIL liabilities between systems for assurance that data was accurate and complete.</p> <p>Exacom (new IT system) is now fully implemented and is working well. Staff have received training and procedures are being updated to cover the new processes.</p>
<p>Cemeteries</p> <p>Audit Opinion: Good ☆☆☆</p>	<p>This audit reviewed the controls in place to manage the Council's four Cemeteries (Dawlish, Teignmouth, Newton Abbot and Kingsteignton).</p> <p>Key risks were covered as follows:</p> <ul style="list-style-type: none"> • Inaccurate registers and cemetery records • Loss of data • Income not collected, or incorrectly recorded • Wrong grave dug or wrong body / ashes buried <p>The service was found to be well managed with controls operating effectively for the areas tested.</p>

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Follow Up Audits The effectiveness of audits is increased if agreed actions are implemented. The audit cycle allows for a follow up check to be made on any important recommendations at an agreed time after each review. Details of completed follow ups are shown below:	
Housing Allocations Audit Opinion: Good ★★★	Original audit: January 2019 Follow Up: June 2019 Two recommendations were made both of which have been actioned.
Community Infrastructure Levy (CIL) Audit Opinion: Good ★★★	Original audit: November 2017 Follow Up: June 2019 An update on progress of 8 recommendations was obtained. Five are complete and work continues on the other three.
Housing Contracts Management Audit Opinion: Original: Fair ★★ Revised: Good ★★★	Original audit: September 2018 Follow Up: January and May 2019 Six recommendations were made and all of these were found to be in progress in the January 2019 follow up. A further follow up was undertaken in May. Five recommendations are complete and 1 is on-going. The audit opinion has been amended to good.
Travel and Subsistence Audit Opinion: Good ★★★	Original audit: November 2018 Follow Up: May 2019 Seven recommendations were made. A new system, iTrent, is currently being implemented and the recommendations will form part of developing the processes and procedures for the new system. The “go-live” is anticipated for October 2019 and the recommendations will be completed by then or soon after. A further follow up is therefore planned for October.
Risk Management Audit Opinion: Good ★★★	Original audit: June 2018 Follow Up: April 2019 All four recommendations have been implemented.