

**EXETER CITY COUNCIL
AUDIT AND GOVERNANCE COMMITTEE**

PROGRESS OF 2020/21 AUDIT PLAN TO DATE

Please note that this is a summary of remedial action agreed, as to include all actions agreed from each audit report in detail would result in a lengthy document. Members may request a full copy of any report once finalised or alternatively meet with the Audit Manager to discuss specific audits further.

Audit Review	Report Status	Overall Opinion	Direction of travel since last audit	No. of Findings & Remedial Action Agreed (High Risk only)	Summary (where completed within this quarter)
IT / Strata	In progress				
Main Accounting	Final	N/A	N/A	N/A	Review of narrative statement as requested by the Deputy Chief Finance Officer
Income Management	Final	Satisfactory Assurance	No previous audit	6 medium	<p>Internal Audit were asked to review the processes involved in selling materials for recycling. Assurance was needed that all recycling loads were invoiced promptly and all data flows reconciled. Concerns had been raised that there were delays in recycling income being posted to the financial system (EFINs), making it hard for budgets to be monitored effectively and for forecasting to be undertaken.</p> <p>Remedial action has been agreed for all findings. The medium risk findings related to reconciliations between weighbridge tickets and invoicing, delays in raising invoices and pricing of recycled materials.</p>
Procurement	Q3				
Creditors	In progress				It is anticipated that additional time will be required to the original plan due to additional review work required as a result of changes to the control process with staff working from home.
Treasury Management	Q4				
VAT	Follow-up				An audit of VAT was completed last year and a follow-up of responses will be completed, however, the more detailed audit planned will be postponed to 21/22 as a result of changes required to the plan from the impact of the Covid Pandemic.
Insurance	Q3				

Audit Review	Report Status	Overall Opinion	Direction of travel since last audit	No. of Findings & Remedial Action Agreed (High Risk only)	Summary (where completed within this quarter)
People Management	Q3/4				Our audit plan had allowed time to test the new self-service system, which will be completed. However, additional time will be required for Payroll testing of Furlough payments.
Members Expenses	Postpone				We propose postponing this audit to 21/22
Health & Safety	Q4				
Private Sector Landlord Services	Q3				
Better Care Fund	Draft				
Sport England	Q3				
Homecall	Q3/4				
Corporate Property Assets	Q4				
Communications – social media	Q3				
Events, Arts & Culture	Postpone				Propose postponed to 21/22
Housing Benefits	Q3				
Council Tax	Q3				
Sundry Debtors	Q4				
NDR	Postpone				Propose postponed to 21/22. As a result of the Government currently implementing 100% rate relief this audit will be postponed until 21/22. Additional time will be allowed during 21/22 to provide assurance that business rates have been correctly reinstated.
Housing – (incl. development, temp accommodation, housing needs, homelessness)	Q3/4				
Corporate Governance	In progress				
Equalities and Diversity	Q4				

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Risk Management	In progress				
Business Continuity Management	In progress				
Information Governance	Postpone				Propose postponed to 21/22
Contract Management	Q4				
Performance Management	Q3/4				
Commercialisation and project management	Q4				
Review of hospitality/disclosures	Q4				
Disabled Facilities Grants	Draft				
Unplanned Additional Audit Work 20/21 and loss of audit days					
Gov't Covid Business Grants – administration and award of grants	Complete	N/A		N/A	The Audit Managers have been assisting the business rates team in the administration, assessment and awarding of the Covid Business Grants.
Covid Business Grants – post award assurance	In progress				The Government requires post award checking of the Covid Business grants. As the Audit Managers were involved in the administration process this has been allocated to another member of the audit team to provide some independence.
Support for Leisure Contract in-house e.g. Inventory and stock checks	In progress				The Audit team have been assisting with the inventory checks at the Leisure facilities to assist with the transfer of these facilities to be run in-house following the end of the current Leisure contract with Parkwood Leisure.
Re-deployment of staff to Exeter Community Hub	Complete				Two team members were deployed to the Exeter Community Hub for 12 hours per week for the total of 9 weeks.
Furlough of staff	Complete				One member of the team was furloughed for 6 weeks (24 days lost from audit plan)

Audit reports issued during 20/21 relating to the 19/20 Year

Audit Review	Report Status	Overall Opinion	Direction of travel since last audit	No. of Findings & Remedial Action Agreed (High Risk only)	Summary (where completed within this quarter)
Contract Management	Final	Satisfactory Assurance	↔	3 Medium risks	<p>Contract management is the process that enables both parties to meet their obligations in order to deliver the objectives required from the contract. It also involves building a good working relationship between customer and provider. It continues throughout the life of a contract and involves managing proactively to anticipate future needs as well as reacting to situations that arise. Effective contract management is especially important in a period where the public sector is facing increasing pressure to reduce costs and improve financial and operational performance.</p> <p>Remedial action was agreed with management for all findings.</p> <p>Findings included:</p> <ul style="list-style-type: none"> • no written contract in place, • payment processing, • no routine in-contract checks on the financial health of the contractor.
Procurement	Final	Satisfactory Assurance	↔	11 Medium risks	<p>Procurement is the process of acquiring goods, works and services from third parties. In a period where the public sector is facing increasing pressure to reduce costs and improve financial and operational performance, effective procurement processes are becoming ever more important.</p> <p>The Council is required to comply with all relevant legal requirements, including UK Public Contracts Regulations 2015, the European Union Procurement Directives and the Treaty of the Functioning of the European Union Treaty.</p> <p>The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of</p>

					<p>resources. The Council's external auditors are required to include a 'Value for Money' conclusion in their annual report.</p> <p>The Procurement and Contract Procedures were amended in September 2019. The previous Procurement and Contract Procedures were introduced in July 2018, however, it was agreed at Executive that the old regulations may, where necessary, apply until 1 June 2019, to afford the necessary time to fully transition to the new procedures. In carrying out this audit, compliance against the relevant Procedures in place at the time of each individual procurement was checked.</p> <p>Remedial action was agreed with management for all findings.</p> <p>Findings included:</p> <ul style="list-style-type: none"> • no written contract in place, • options appraisal process, • authorisation at business stage • publication of opportunities and awards • evidence of best value
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