

# **Report to the Audit and Governance Committee**



**Epping Forest  
District Council**

**Report reference:**

**Date of meeting: 22 March 2021**

**Portfolio: Leader of the Council**

**Subject: Internal Audit Monitoring Report March 2021**

**Responsible Officer: Sarah Marsh (01992 564446).**

**Democratic Services: Laura Kirman (01992 564243)**

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## **Recommendations/Decisions Required:**

- (1) The Committee notes the summary of the work of Internal Audit and the Corporate Fraud Team for the period January to March 2021**
- (2) The Committee approves the deferral of the Qualis Commercial and the Treasury Management audits**

## **Executive Summary:**

This report updates Members on the work completed by Internal Audit and the Corporate Fraud Team since the January 2021 Audit and Governance Committee and provides the current position in relation to overdue recommendations.

Approval is sought to defer the Qualis Commercial and the Treasury Management audits.

## **Reasons for Proposed Decision:**

Monitoring report as required by the Audit and Governance Committee Terms of Reference.

## **Other Options for Action:**

No other options.

## **Report:**

### **2020/21 Internal Audit Plan**

1. Progress is being made on the revised 2020/21 Audit Plan as detailed in Appendix 1.
2. It is proposed to defer the Qualis Commercial audit until 2021/22 to allow completion of the Qualis Group Governance audit which is currently in progress. Delivery of the Council's treasury management function is undergoing review by the Interim Chief Financial Officer, and Internal Audit will review the new system soon after implementation.
3. No final reports have been issued since the Committee received its last update in January 2021.

### **Recommendation Tracker**

4. The Audit and Governance Committee continues to receive details of all overdue recommendations, plus any high priority recommendations from final reports regardless of whether they are overdue or not.
5. The current tracker is shown at Appendix 2 and contains one medium priority recommendation which has passed its due date.

Table 1. Summary of tracker as at March 2021.

Recommendation type	Number (March 2021)	Number (January 2021)	Number (December 2020)	Number (September 2020)	Number (July 2020)
High Priority not passed its due date	0	0	0	0	2
High Priority passed its due date	0	1	1	2	1
Medium Priority passed its due date	1	2	2	1	6
Low Priority passed its due date	0	0	0	5	7
<b>Total</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>16</b>

### **Other Internal Audit activities**

6. Internal Audit has continued to provide advice and guidance in several business areas:
  - Covid-19 central government grants for businesses and individuals:** Internal Audit and the Corporate Fraud Team continue in providing advice and assistance on all the business grants schemes, including performing pre-award checks using the Cabinet Office due diligence tool, spotlight.
  - Finance related work:** Internal Audit resource has been diverted to review the preparation of the Revenue Account 2020/21 form submitted to central government. Assistance and advice have been provided to give a more detailed understanding of the report and figures, including developing a strong audit trail and legacy for future forms.
  - Corporate purchase cards:** Internal Audit is facilitating discussions on the Council's approach to the use of purchase cards following the decision to use these routinely for low level spend.
  - National Fraud Initiative (NFI) 2020/21:** Internal Audit coordinated preparations for the 2020/21 NFI exercise, including the new Covid Grant Recipient's dataset. The review of matches is in progress.

### **Corporate Fraud Team (CFT) update**

7. Further to the last update in December, the CFT has continued to actively vet each Right to Buy (RTB) application received by the Council. Due to the Covid situation

severely reducing the ability to visit homes etc, interviews with RTB applicants are, wherever possible, taking place using Zoom. Since December, a further three applications have been withdrawn following the vetting procedure taking place.

8. A number of investigations have been concluded with positive results. This includes several Council Tax Single Person Discounts being withdrawn and an investigation into the subletting of a council property concluding with the tenant relinquishing their tenancy.
9. The team has also continued in assisting Housing with the verification of each tenancy succession application received, leading to several not being granted and Housing taking legal action to remove them from the property.

**Legal and Governance Implications:**

None

**Safer, Cleaner and Greener Implications:**

None

**Consultation Undertaken:**

Corporate Governance Group

**Background Papers:**

2020/21 Audit Strategy and Plan

**Risk Management:**

Failure to achieve the audit plan and poor follow up of audit recommendations may lead to a lack of assurance that internal controls are effective and risks properly managed, which ultimately feeds into the Annual Governance Statement.

**Equality Analysis:**

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 3 to the report.