

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



**Epping Forest  
District Council**

**Report reference: AGC-008-2018/19**

**Date of meeting: 24 September 2018**

**Portfolio: Technology and Support Services**

**Subject: Internal Audit Monitoring Report August to September 2018**

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

**Democratic Services: Adrian Hendry (01992 564246)**

## **Recommendations/Decisions Required:**

The Committee notes the progress made against the 2018/19 Internal Audit plan and the work of the Corporate Fraud Team.

## **Executive Summary:**

This report updates members on the work completed by the Internal Audit Shared Service and the Corporate Fraud Team since the July 2018 Audit and Governance Committee, and also provides the current position in relation to overdue recommendations.

## **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:**

### **2018/19 Internal Audit Plan**

1. Work has commenced on the 2018/19 Audit Plan as detailed in Appendix 1. The timings of the audits have been agreed with management to ensure a timely flow of audit reports throughout the year.

### **Internal Audit Reports**

2. The following report has been issued since the Committee received its last update in July 2018:

- **Debtors – substantial assurance**

Overall, sundry debt processes are well managed. Charges are identified and accurately billed in a timely manner by the relevant service directorate. Invoices are recorded on the

sundry debt IT system, AIMS, and management reports of outstanding debts are regularly produced to enable effective debt monitoring. Debt recovery procedures are followed in respect of unpaid debts, and cancellations and write-offs are appropriately authorised in line with the Sundry Income and Debt Policy.

### **Recommendation Tracker**

3. 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.
4. The current tracker is shown at Appendix 2 and the number of overdue recommendations remains low.

Table 1. Summary of tracker as at September 2018.

<b>Recommendation type</b>	<b>Number (September 2018)</b>	<b>Number (July 2018)</b>	<b>Number (March 2018)</b>	<b>Number (January 2018)</b>
High Priority not passed its due date	0	0	0	0
High Priority passed its due date	0	0	1	1
Medium Priority passed its due date	2	2	1	1
Low Priority passed its due date	2	0	2	2
<b>Total</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>4</b>

### **General Data Protection Regulation Update**

5. Staff training sessions have taken place which will be reinforced by an e-learning module issued through metacompliance. A data declutter day instigated by Internal Audit, held in August, will become an annual event. Work is ongoing to identify and implement effective IT solutions to further ensure General Data Protection Regulation compliance.

### **Corporate Fraud Team Update**

6. During July and August, the Corporate Fraud Team has been instrumental in the withdrawal of five Right to Buy (RTB) applications which has saved the Council approximately £393,000 in potential discount (based on the maximum RTB discount of £78,600). Furthermore, the five properties remain as Council housing stock thus generating ongoing revenue streams in the form of rent receipts.
7. The team is actively engaged in a number of significant investigations including a suspected subletting enquiry where indications suggest that the tenant has not occupied their council property in the last 12 years. The CFT is attempting to arrange a joint working arrangement with Northamptonshire Police in order to move this enquiry along as expediently as possible.

**Resource Implications:**

Within the report

**Legal and Governance Implications:**

None

**Safer, Cleaner and Greener Implications:**

None

**Consultation Undertaken:**

Corporate Governance Group

**Background Papers:**

2018/19 Audit and Resource 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.