

Shared Audit and Investigation Service
Wokingham Borough Council Performance Report
2018/19 to 30 June 2018
Audit Committee 25 July 2018

2018/19 Quarterly Progress Report (to 30 June 2018)

1. Introduction

1.1 This report summarises the work of Internal Audit and Investigation to 30 June 2018.

2. Internal Audit

Performance against Audit Plan to 30 June 2018

- 2.1 Appendix A(I) presents progress made against the approved 2018/19 Internal Audit and Investigation Plan approved at the meeting of this Committee on 7 February 2018. We are reporting progress as at the 30th June 2018 and are actively managing the Audit Plan to take account of developments regarding the 21st Century Council initiative to ensure that our audit work is focussed on assisting the organisation to achieve its objectives and to add value.
- 2.2 There were 10 audits carried forward from 2017/18, 3 are at final report stage and 7 at draft report stage. For 2018/19 audits there are 13 that are work in progress and there is 1 grant certification.

Third Category Audit Opinion Reviews

- 2.3 There has been one audit review receiving the third category of audit opinion (Range of Risk Mitigation Controls is incomplete and risks are not effectively Mitigated) and no audit reviews receiving the fourth category of audit opinion (There is no effective Risk Management process in place) that has been completed to Final Report stage since the 2017/18 Annual Shared Audit and Investigation Service report submitted to the Audit Committee on 6 June 2018 that relate to the 2017/18 financial year. A summary of the issues relating to the audit receiving the third category of audit opinion is shown below.

Housing Rents Follow up

Considerable progress has been made to address the concerns raised last year, with the majority of countermeasures either implemented or near to being implemented. The former and current tenant arrears figures, however, have not reduced and collectively stand at approximately £900k as at 4 March 2018.

Despite the work that has been done, the audit opinion remains 3rd of 4 due to the amount of debt involved and the lack of reduction since the previous audit.

The levels had slightly reduced by mid-June when the final report was issued, but not significantly. However, considerable work has been carried out to improve the position in order to reduce the debt going forward.

- 2.4 Where concerns are classified as being Very High or High that have been tolerated by management, these are highlighted to the Audit Committee. There have been no cases in Quarter 1 of Very High or High concerns being tolerated by management.
- 2.5 Management are given one month between the draft and final reporting stage to address any countermeasures and, where applicable, improve the overall audit opinion. There was 1 audit (as shown in Appendix A(I)) during the quarter where the opinion was improved from the draft to final report stage. This was due to a) additional supporting evidence being supplied to reduce concerns and/or b) compensating or mitigating controls implemented by management to address concerns raised between the draft and final report stages.
- 2.6 Contingency days to date have been spent on consultancy work requested by management in the following areas. All are currently in progress and the outcome of the reviews will be reported in the next quarterly report:
- Planning Controls – Work in progress
 - Fosters Extra Care Scheme – Work in progress

3. Corporate Investigations

Regulation of Investigatory Powers Act

- 3.1 No new investigations have been undertaken during 2018/19 that has required Regulation of Investigatory Powers Act surveillance approval to be requested.

Audit and Investigation - Other Work Areas

Audit

IIA External Review Against the Public Sector Internal Audit Standards

- 3.2. As reported in the Annual Report submitted to the Audit Committee on 6 June 2018, Internal Audit service providers are required to have an independent external assessment every five years. As such, a consultant representing CIPFA was engaged to complete this external assessment during quarter 4 of this year.
- 3.3 The report was received in April where the service achieved a “Generally Compliant” category which is the top opinion and a small number of recommendations were made to ensure full compliance with the Standards, plus a number of advisory points raised to assist the development of the Shared Service and the achievement of best practice going ahead.
- 3.4 The Audit Committee should note that the Audit Charter has been updated and is attached as a separate report within this meeting’s agenda. We are currently working on the other recommendations and suggestions made in the PSIAS assessment action plan and progress will be reported to future meetings of the Audit Committee.