

**Shared Audit and Investigation Service**  
**Wokingham Borough Council Performance Report**  
**2018/19 to 31 December 2018**  
**Audit Committee 6 February 2019**

**2018/19 Quarterly Progress Report (to 31 December 2018)**

**1. Executive Summary**

- 1.1 This report summarises the work of Internal Audit and Investigation to 31 December 2018.
- 1.2 The financial years 2017/18 and 2018/19 have seen a period of significant change within the Council as it goes through its 21 CC Transition Programme. The audit of Corporate Governance is being completed this month and a comprehensive work programme, supported by CLT, will be used to address any areas identified for improvement.
- 1.3 The internal audit of the 21CC Programme continues with ongoing work on the financial aspects of the programme currently under review.

**2. Internal Audit**

**Performance against Audit Plan to 31 December 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 31 December 2018 and are actively managing the Audit Plan to take account of developments regarding the 21<sup>st</sup> 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, all of which have been completed. For 2018/19 audits there are 9 at final report stage, 7 at draft report stage, 6 are work in progress and there are 4 grant certifications.

**Third and Fourth Category Audit Opinion Reviews**

- 2.3 There are no audit reviews receiving the third or fourth category of audit opinion (as shown in Appendix A(I) – Legend Section) that have been completed to Final Report stage since the quarter 2 progress report submitted to the Audit Committee on 7 November 2018 that relate to the 2018/19 financial year. An update on those audits that were reported in the quarter 2 progress report that had received a third category of audit opinion are as follows;

**2017/18 Housing Rents** – See separate report on agenda.

**2017/18 Debtors** - The 2017-18 review of Debtors included 3 High Risk concerns. With regard to the concern of adequate resourcing required to robustly collect corporate debt, as part of 21 CC, the permanent debtor staff have transferred to Customer Delivery Officers (CDOs) and some training has recently commenced for other CDOs on debtors work. There are two agency workers covering specialist debtor work on Adult Social Care debt/reporting /complex cases, and the other chasing the very old debt. Future options for improving debt recovery are under consideration.

Further work is required on the management information template. Once produced, it will be presented to CLT and Joint Board for approval and then introduced. The verification that all services receive their monthly aged debt report are to be considered as part of the 21 CC review of budget books and enhancements early in 2019.

The 2018-19 Debtors audit is due to be undertaken in Quarter 4 and will verify the progress as stated above and further assess the impact of the recent structure changes.

**Shared Building Services** - The direction of travel of the Shared Building Service is positive, and in view of the current and future changes it is progressing clearly towards a position where controls are substantially complete and generally effective. The Term Contracts have been tendered and let and a new cloud-based system is bedding-in to more effectively manage works and payments. The tender process for the service contracts is to commence in 2018-19 Quarter 4, for which some of the original risks remain in the interim and these will be re-visited in detail as part of the 2019/20 Internal Audit review.

- 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 3 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 one audit (as shown in Appendix A(I)) during the quarter where the opinion was improved from the draft to final report stage.
- 2.6 Contingency days to date have been spent on consultancy work requested by management.

### **3. Corporate Investigations**

- 3.1 Corporate investigations have been working on the areas of housing, disciplinary cases and code of conduct cases. In addition to this there is an ongoing investigation at a school, which has been referred to the Police by the Shared Legal

Services. An update on progress has been requested and it has been advised that as this is a Police investigation, there is currently no further update.

#### Regulation of Investigatory Powers Act

- 3.2 No new investigations have been undertaken during 2018/19 that have 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**

- 3.3. 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 last year.
- 3.4 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.
- 3.5 The Audit Committee should note that progress in addressing the recommendations and suggestions is continuing.

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