

Date of issue: Tuesday, 17 September 2019

MEETING	AUDIT AND CORPORATE GOVERNANCE COMMITTEE
DATE AND TIME:	THURSDAY, 19TH SEPTEMBER, 2019 AT 6.30 PM
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EJ
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	SHABANA KAUSER 01753 787503

SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

- * Item 4 (Appendix 1) is an updated version of the papers circulated with the agenda.
- * Item 6 was not available for publication with the rest of the agenda.

PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
4.	Audit and Risk Management Update - Quarter 2 2019/20 – Appendix 1	1 - 16	All
6.	External Audit Update Report	17 - 26	All

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Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Asset Register	Medium	31/3/2018	Andrew Pate	The Group Accountant Capital, Treasury and SUR will develop an Asset Management Procedure that clearly outlines the responsibilities of all involved departments and staff. The procedures will clearly outline: • How to identify assets; • Responsibility of staff in reporting new assets and disposals to the finance team, the legal team and the asset management team; • Documentation to be held for assets owned by the Council; • Responsibility in recording all assets into the Land Terrier and the Asset Register; • Timeliness and responsibility of reconciliations between the asset values in the asset register and the general ledger; • Timeliness and responsibilities for all involved teams within the asset revaluation process and updating of results. • The process for disposals and acquisitions of assets. • The requirement for the Principal Asset Manager to oversee the preparation and implementation of a physical asset inspection process which will allow the Council to take assurances on the integrity of asset details maintained in asset managed records. Once developed the procedure will be approved by the Capital Strategy Board and communicated across all service lines	18/12/2018	15/11/2018 In progress to be completed by 21st Dec 2018
					7/2/2019	A procedure is currently being developed and will be complete by mid-February. Asset Management have forwarded their procedure and Corporate Finance will incorporate into an overall document for consideration.

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Capital Expenditure (26.18/19)	Medium	28/2/2019	Sushil Thobhani	<p>The Council will put in place a joint Capital and Procurement Business Case.</p> <p>Prior to being utilised, the new Business Case will be formally reviewed by both the PMO and Procurement team to ensure it captures all necessary information.</p> <p>Following approval, the Business Case will be made available for use via the Staff Intranet and will be used in the approval process of all capital projects.</p>		

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Contract Procedure Rules Review	Medium	31/10/2018	Claire Portsmouth	The POP will clarify the responsibility and time periods for the retention and safeguarding of supplier agreements and/or terms and conditions for goods and services. Furthermore, the need for spot checks on compliance with the CPR and FPR to be conducted and reported to the respective DMT will be reclarified and communicated.	19/12/2018	In progress - outsourced to HB Law
					7/2/2019	This action has been outsourced to HB Law
					11/6/2019	Management action re-assigned to user: Claire Portsmouth
Contract Procedure Rules Review	Medium	30/6/2019	Claire Portsmouth	Expenditure between the £50,000 and the OJEU limits will be periodically checked to ensure compliance with the Contract Procedure Rules and Council's Constitution. Where non-compliance is identified, action will be taken to ensure a contract / terms and onditions are in place.	19/12/2018	Met with NW and FN - Pooja to scan every 1/4 and report
					10/4/2019	Re-Opened the Recommendation
					10/4/2019	Target date changed to: 30/06/2019 Original target date: 31/10/2018
					11/6/2019	Management action re-assigned to user: Claire Portsmouth

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Contract Procedure Rules Review	Medium	31/10/2018	Claire Portsmouth	Through the Finance DMT, controls will be established in the short term to monitor procurement and the use of suppliers, through measures such as the use of approved supplier lists.	22/1/2019	Management action re-assigned to user: Frederick Narmh
					7/2/2019	Discussed this action and weren't quite sure what it meant and was trying to control
					11/6/2019	Management action re-assigned to user: Claire Portsmouth
					17/6/2019	Approved supplier lists should not be used to circumvent procurement procedures, therefore any approved list needs to be in the form of a DPS or Framework. Approved lists can not/should not be created without some sort of competition. The POP will be updated to reflect this. The addition of 'estimated contract value' on the supplier set up should assist with spend tracking.
Contract Procedure Rules Review	Medium	30/4/2019	Sushil Thobhani	The permissions and segregation of duties within Agresso for the creation and amendment of suppliers will be reviewed by the Service Lead, Finance and the Director of Finance and Resources.	19/12/2018	Completed
					10/4/2019	Re-Opened the Recommendation
					10/4/2019	Target date changed to: 30/04/2019 Original target date: 31/12/2018
					27/8/2019	Spoke to BS Process has been reviewed now for Procurement to implement changes
					27/8/2019	Management action re-assigned to user: Sushil Thobhani

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Debtors Management	Medium	30/6/2019	Barry Stratfull	<p>The Accounts Receivable team will enquire with the Agresso Support Team as to how the faulty reminder run may have occurred.</p> <p>The outcomes of this enquiry will be used to provide the team with assurance that reminder runs distribute reminders to all relevant debtors.</p> <p>Following the production of a Debt Recovery Policy, the Head of Transactional Finance, will undertake monthly spot checks to confirm compliance against the stipulated debt recovery procedures.</p>	27/8/2019	Cannot conclude as there is no debt management policy yet
Debtors Management	Medium	30/6/2019	Barry Stratfull	<p>The Council will send out guidance to staff to advise them to attach supporting documentation to all credit notes requests.</p> <p>Following this, where credit notes are raised, supporting documentation will be uploaded to Agresso to substantiate the request for raising a credit notes in all cases.</p>	27/8/2019	Guidance will be sent out
Fixed Penalty Enforcement	Medium	30/11/2018	Ginny De Haan	A clear control framework will be put in place to ensure that in line with guidance, income received from the serving of fixed penalty notices is spent on related functions.	29/1/2019	A task and finish group is being established as part of the Corporate Enforcement Group as the service of FPN can potentially occur across the Council and any procedures agreed for the neighbourhood services Team needs to be replicated elsewhere.
Fixed Penalty Enforcement	Medium	30/11/2018	Colin Moone	<p>Fixed Penalty Notice (FPN) templates will be updated to ensure they all reference the following information:</p> <ul style="list-style-type: none"> •Time and date of offense; •Location of offense; and <p>How the FPN was issued (in person, via post etc.).</p>	19/12/2018	In progress
					12/2/2019	Management action re-assigned to user: Colin Moone

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Fixed Penalty Enforcement	Medium	31/10/2018	Ginny De Haan	<p>The Enforcement Policy and FPN Policy will be revised to ensure they include all areas outlined within DEFRA guidance on Fixed Penalty Notices.</p> <p>Following this, FPN related policies and procedures will be circulated and made readily available to all staff in an appropriate location.</p> <p>The FPN Policy and FPN Appeal Procedure will be and revised to detail a next review date and version control history, including:</p> <ul style="list-style-type: none"> •Details of the changes/review; •Details of who carried out the changes/review; and •Date of update. <p>Moreover, a segregation of duty will be maintained between the staff updating and subsequently approving the policies and procedures, with this clearly being noted on the documents.</p>	29/1/2019	The Enforcement Policy has been amended and a T&F set up to agree policy and procedures for FPN. To be presented to the Corp Enforcement Group and Service lead - regulatory services for sign off. This is anticipated to be completed by end March 2019
					15/4/2019	Reminder sent to neighbourhood team leader to complete actions and cc'ed to service lead. Advised that they do not have capacity to complete audit actions. Request to review and confirm as actions have been outstanding for a considerable time.
					20/6/2019	Advised that R&E currently do not have capacity to progress. Given the limited number of FPN issued it is recommended to review actions in July 2019
Fixed Penalty Enforcement	Medium	28/2/2019	Ginny De Haan	The Council will circulate the latest Fixed Penalty Notice (FPN) templates to relevant staff for use and ensure that dated versions are removed.	19/12/2018	In progress
					10/4/2019	Re-Opened the Recommendation
					10/4/2019	Target date changed to: 28/02/2019 Original target date: 30/11/2018

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Fixed Penalty Enforcement	Medium	30/11/2018	Ginny De Haan	The Council will develop a formal process to systematically track income due through to collection, receipting and banking. This will include guidance for undertaking regular, formal reconciliations between income received and records maintained.	29/1/2019	A task and finish group as been set up as part of the Corporate Enforcement Group to recommend a process that can be replicated across the Council.
Fixed Penalty Enforcement	Medium	30/11/2018	Ginny De Haan	The FPN payment reminder templates will be amended to inform alleged offenders of the review process available should they have complaint with regards to an issued FPN. Following this, the Council will ensure that reminder letters are sent to alleged offenders in a timely manner.	29/1/2019	new processes are in place however the evidence to substantiate this has not yet been provided

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Governance - Overview & Scrutiny	Medium	31/10/2018	Dean Tyler	As best practice, all relevant interests should be declared by Councillors at the Overview and Scrutiny Committee and recorded. As part of this, the Council will carry out a cost benefit analysis of the Council subscribing to a database (Tracker) which will enable the Council to check periodically if Members are failing to register relevant interests in the Register of Members' Interests or to instruct Internal Auditors to make these checks periodically and to report to the Monitoring Officer on interests not declared in the Register.	19/12/2018	In progress
					25/1/2019	Email to Dean Tyler of update on status and person respons
					31/1/2019	Management action re-assigned to user: Dean Tyler
Governance - Overview & Scrutiny	Medium	30/4/2019	Dean Tyler	As part of the Overview and Scrutiny Committee annual report process, the report will explicitly review the Committee's own effectiveness against the group's objectives, and this will feed into a 'Lessons learnt' action plan that will better enable the Council to review and comment on the report to provide feedback.	25/1/2019	Email to Dean Tyler of update on status and person respons
					31/1/2019	Management action re-assigned to user: Dean Tyler
Health and Safety	Medium	31/5/2019	Neil Wilcox	We will ensure that the Health and Safety Board are provided with oversight of the progress of actions on directorate action plans at each meeting to ensure that satisfactory progress is made, and any significant issues are promptly escalated to the Corporate Management team.		
Holy Family Catholic School	Medium	31/7/2017	Tina Tushingam	The School will ensure where a DBS check confirmation is not obtained prior to an employee start date, an appropriate risk assessment is undertaken on the employee to ensure they are fit for service.	19/12/2018	Completed as per Tina q3 17/18 Follow up - No action taken

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Holy Family Catholic School	Medium	30/9/2017	Tina Tushingam	The School will ensure annual inventory checks are taking place with any discrepancies being investigated. Those discrepancies identified over a predetermined sum will be reported to the Governing Body. To coincide with Asset Tagging.	19/12/2018	Asset tags to be added to equipment in half term Also looking at bespoke asset register systems but this is dependent on costs
Housing Regulation	Medium	31/3/2018	Amir Salarkia	The current suite of indicators will be reviewed to ensure these meet the characteristics of effective performance measures. Once reviewed and agreed, targets will be agreed for each indicator, and performance reported against each target. Flare reporting functionalities will be reviewed to ensure performance can be accurately reported each quarter.	19/12/2018	This has been completed and we can report performance accurately each quarter. q3 found this action incomplete
HR Policies and Procedures	Medium	31/3/2019	Surjit Nagra	The Council will formulate an overarching procedural document to inform staff on the processes for the creation, approval, review and communication of all Council policies and procedures. This will include the consultation process as part of new/reviewed policies and procedures.	22/7/2019	Management action re-assigned to user: Surjit Nagra
Information Governance	Medium	31/3/2018	Alexander Cowem	The Information Security Awareness course will be reviewed and updated to ensure and includes reference to the Caldicott Principles. In addition, the Council will consider merging the Information Security Awareness and Data Protection Awareness courses to provide a single course covering data protection and information governance.	19/12/2018	Completed
					10/4/2019	Re-Opened the Recommendation

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Information Governance	Medium	31/7/2018	Simon Pallett	The Council will ensure that the draft Digital and IT team structure is approved by the IG Board and the recruitment process is undertaken to ensure that sufficient resources are in place to appropriately oversee information governance arrangements and responsibilities per the Health and Social Care Information Centre guidance are formally assigned.	19/12/2018	Partially Completed as per F&R DMT 17/9/2018. email 2/10/2018 requesting status
Information Governance	Medium	28/2/2019	Surjit Nagra	Training reports will be discussed at monthly DMT meetings and CMT half-yearly and details of the discussion will be recorded in the minutes. Where poor training compliance is observed, actions will be devised in attempt to improve levels of training completed.	19/12/2018	SN to check with Head of OD if this is done. 17/9/2108 SN advised that this is complete
					10/4/2019	Re-Opened the Recommendation
					10/4/2019	Target date changed to: 28/02/2019 Original target date: 31/03/2018
Management of Housing Stock	Medium	31/3/2017	Karen Lewis	The Tenancy Strategy and Policy will be reviewed and updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan. The strategy will then be issued to CMT and Cabinet for approval, and subject to the required consultation. Once finalised, it will be updated on the Council website and then reviewed annually thereafter.	19/12/2018	The Social Housing Green Paper was published in August 2018. Work is now underway to analyse the recommendations ahead of significant consultation with tenants, residents, partners and stakeholders as well as internal colleagues to determine the type/s o

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Neighbourhood ASB Enforcement	Medium	31/10/2017	Ian Blake	Council staff will be reminded of the need to record details of the notification on Flare within the notes for all ASB cases, to ensure a clear audit trail exists for reported ASB cases. This will be reviewed by the Resilience and Enforcement Team Assistance when assigning cases to ensure the date of notification has been accurately recorded.	19/12/2018	From: Blake Ian Sent: 14 June 2018 10:40 To: Turnbull Tony; Brady Phil; Jones Liz; Palacio Richard; Bird Peter; Viechweg Diane; Harman Sarah; Stefano Sarah; Frost Jo; Corcoran Linda Cc: Tariq Sahera Subject: Internal Audit Recommendations.xlsx Dear All, I
					23/8/2019	Email for update

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Neighbourhood ASB Enforcement	Medium	31/10/2017	Michelle Isabelle	The Policy and Fact Sheets will be re-circulated to all relevant staff, and they will be required to confirm that they have read and will comply with it. Training covering policy application will be provided to ensure consistent understanding and application.	19/12/2018	We reviewed the ASB Policy and confirmed it adequately detailed the strategy and overarching aims of the Council with regards to managing ASB. We noted there were a total of 14 Fact Sheets which were split between 'ASB Policy and Procedure' and 'ASB Legis
Neighbourhood ASB Enforcement	Medium	31/3/2018	Ian Blake	The Council will review and update the ASB categories and types on both Capita and Flare to ensure these are aligned and reflect the categories and types defined within Fact Sheet 6 - ASB Case Management Systems. Training will subsequently be provided to Team Leaders and Officers on definitions of categories and types to ensure correct assignment and consistent application.	19/12/2018	Outstanding as capacity to complete this piece of work is currently unavailable due to the project officer being on maternity leave. Attempts have been made to recruit to the vacancy to cover maternity leave with no suitable applicants available. Capita a
					23/8/2019	Email for update
Neighbourhood ASB Enforcement	Medium	31/10/2017	Ian Blake	Team Leaders will ensure that ASB cases are reviewed monthly, and following review and approval, and subsequent dissemination of the ASB Policy, that consistent application of the policy is monitored.	19/12/2018	q3 Follow Up found no action taken. From: Blake Ian Sent: 14 June 2018 10:40 To: Turnbull Tony; Brady Phil; Jones Liz; Palacio Richard; Bird Peter; Viechweg Diane; Harman Sarah; Stefano Sarah; Frost Jo; Corcoran Linda Cc: Tariq Sahera Subject: Internal Au
					23/8/2019	email for update

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Purchasing Cards	Medium	31/3/2018	Andrew Pate	The Council will ensure that for all purchase cards in use, a Purchasing Card Agreement Form will be maintained centrally by the Finance team. Financial Limits will be recorded on Cardholder Agreement forms.	19/12/2018	15/11/2018 this will be covered off in review by LK
					7/2/2019	This is being done for all new Purchase Card users. A form was sent out to all existing users asking them to complete and return the cardholder agreement to Lubna Khan. Cardholders were given a two week deadline
Purchasing Cards	Medium	31/3/2018	Sushil Thobhani	As part of the Councils Transparency code, the Council will publish expenditure on purchase cards, broken down by merchant, on its public internet site.	19/12/2018	Moved resp to ST
Purchasing Cards	Medium	31/3/2018	Andrew Pate	Spot checks by Finance on a sample of submissions each month will be conducted and recorded to ensure that that expenditure on the detailed receipts provided are for official Council purchases and in line with the Purchasing Card Policy.	19/12/2018	15/11/2018 Lubna to do spot checks
					7/2/2019	Lubna Khan will commence spot checks in February 2019

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Rent Accounts (28.18/19)	Medium	28/2/2019	Liz Jones	The Council will ensure that the weekly rental charge for void properties is stopped in a timely manner (the week of the void start date), to avoid the overcharging and subsequent requirement to refund tenants, and as part of this, evidence will be retained to demonstrate that the tenant has been signposted to all documentation that needs to be provided prior to a tenancy being ended.	27/3/2019	<p>Please see confirmation email below</p> <p>From: Bird Peter Sent: 18 March 2019 11:23 To: Jones Liz Subject: Rent Audit</p> <p>Hi Liz</p> <p>At present Housing Assistants and Officers are aware of the timely actions of ending a tenancy. However whilst we are starting to use our discretion in cases that do completely comply with our procedures in these cases the tenancy does not always end promptly and the cancelation of the rent charges has to be backdated. Whilst the tenant does not suffer financial loss in the end there is a period where officers are not making the decision proactively.</p> <p>During April we will be running training with officers involved from notification of termination through to the sign up of properties to reinforce the process.</p> <p>Regards</p>

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
School Reviews - St Bernard's Catholic Grammar	Medium	31/3/2019	Paul Kassapain	The School will send guidance to staff to ensure are aware of the desired practices upon receipt of goods that are classified as fixed assets. The School will also perform an exercise to ensure that all assets purchased since the last inventory check (11 April 2017) have been added to the asset register. Additionally, upon receipt of goods that are defined as fixed assets, the School will devise a mechanism that ensures the individual who checks the asset demonstrates when the asset had been added to the register and who by	6/6/2019	In progress of changing software.
SUR	Medium	31/1/2019	Joe Carter	The Council will seek assurance that the plans have been approved by JV Partner members prior to the planning of projects. SUR will create a shared drive (restricted to relevant personnel) to enable access to legal documentation.	28/1/2019	Email to Joe requesting status
SUR	Medium	31/12/2018	Joe Carter	The Board will ensure that at least two representatives from each Partner will attend Business Board meetings.		
Temporary Accommodation	Medium	31/10/2018	Debra Gilbert	The TA Team will obtain an up to date and accurate list of households within TA, the last date of visit and scheduled future visits and will formalise a plan to visit these households in a timely manner.	19/12/2018	This is ongoing. We have a new Officer starting on the 10/12/2018 which will provide us with additional capacity to schedule in visits and update Capita accordingly

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Voids	Medium	31/3/2019	Liz Jones	Where possible, Preinspections will be carried out prior to the tenant moving out, where notice is given with the outcomes of this recorded on the CAPITA system. the CAPITA system. Housing Officers will also ensure that an information pack will be included with the appointment letter detailing how to leave a council property and the possibility of recharges for damage or clearance of possessions. A confirmation letter following the pretermination inspection visit will be sent confirming identified reports to be completed before vacation, which will be recorded on the CAPITA system.	19/12/2018	A process for carrying out pre-void inspections has been piloted and introduced into the new policy. The police and procedure will be rolled out to all Housing Management Teams & contractors during 2018.
					10/4/2019	Re-Opened the Recommendation
					10/4/2019	Target date changed to: 31/03/2019 Original target date: 31/07/2018
Voids	Medium	31/3/2019	Trevor Costello	The Capita system will record where recharges have been made and collected to enable sufficient oversight and to enable effective management over the recharges process. The Council will receive regular reports from Osborne in order to raise notification and issue of recharges to tenants and leaseholders.	19/12/2018	Recharges policy is now live. Clienting Recharges Officer has been recruited and is due to start on 15/10/2018.
					10/4/2019	Re-Opened the Recommendation
					10/4/2019	Target date changed to: 31/03/2019 Original target date: 31/07/2018

Audit Progress Report and Sector Update

Slough Borough Council
Year ending 31 March 2019

September 2019



Contents

Section	Page
Introduction	03
Progress at September 2019	04
Audit Deliverables	05
Audit Work Progress Update	06

Introduction



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This paper provides the Audit and Corporate Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk ..

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



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PSAA Contract Monitoring

Slough Borough Council opted into the Public Sector Audit Appointments (PSAA) Appointing Person scheme which starts with the 2018/19 audit. PSAA appointed Grant Thornton as auditors. PSAA is responsible under the Local Audit (Appointing Person) Regulations 2015 for monitoring compliance with the contract and is committed to ensuring good quality audit services are provided by its suppliers. Details of PSAA's audit quality monitoring arrangements are available from its website, www.psaa.co.uk.

Our contract with PSAA contains a method statement which sets out the firm's commitment to deliver quality audit services, our audit approach and what clients can expect from us. We have set out our commitment to deliver a high quality audit service. We hope this is helpful. It will also be a benchmark for you to provide feedback on our performance to PSAA via its survey in Autumn 2019.

Progress at September 2019

Financial Statements Audit

We have completed planning for the 2018/19 financial statements audit and have issued a detailed audit plan, setting out our proposed approach to the audit of the Council's 2018/19 financial statements.

We reported to you in July 2019 that we have experienced some delays in respect of the opening balances for Property, Plant and Equipment during the course of the interim audit, and that we are not able to confirm the opening balance position to date. We have experienced further delays which we communicate to you below.

The statutory deadline for the publication of the Council's accounts remained unchanged at 31 July 2019 and the Council has published its unaudited accounts by this date.

In this context, we note that the delivery of the 2018-19 audit has been further delayed due to issues with the production of working papers to support the financial statements. In particular, these significant delays have resulted in a slippage of the timetable with regards to Income and Expenditure testing.

We continue to regularly discuss our plan and timetable with officers to complete the audit, with the intention of presenting our audit findings report and opinion to the December 2019 Committee meeting.

Further details are provided on pages 6 to 8 of this report.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that, "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach were included in our Audit Plan. We identified three significant Value for Money Risks – Medium Term Financial Strategy, Principles and Values of Sound Governance and Internal Control; and Children's Social Care services – and are currently carrying out our audit work on this.

We will report our work in the Audit Findings Report and give our Value For Money Conclusion at the next Audit & Corporate Governance Committee meeting.

Other areas

Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. The certification work for the 2018/19 has not yet started. We will agree our overall project plan for completing this work with officers.

Meetings

We met regularly with Finance Officers and your Section 151 Officer, as part of our quarterly liaison meetings. We continue to discuss with finance staff emerging developments and issues, such as the McCloud pension issue, to ensure the audit process is smooth and effective. We also meet with your Chief Executive periodically to discuss the Council's strategic priorities and plans.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. We sent officers an invitation to our Financial Reporting Workshop in February 2019, which helps to ensure that members of your Finance Team are up to date with the latest financial reporting requirements for local authority accounts. The Council's Officers attended this session.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018/19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit & Corporate Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2018/19 financial statements.	January 2019	Complete
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	July 2019	Presented
	September 2019	Presented (Rescheduled)
Audit Findings Report The Audit Findings Report will be reported to the next Audit & Corporate Governance Committee.	December 2019	Not yet due (Rescheduled)
Auditors Report This is the opinion on your financial statements, annual governance statement and value for money conclusion.	December 2019	Not yet due (Rescheduled)
Annual Audit Letter This letter communicates the key issues arising from our work.	December 2019	Not yet due (Rescheduled)

Audit Work Progress Update at September 2019

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed	Conclusions and recommendations
Internal audit	<p>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention, subject to completion during the course of the final audit.</p> <p>At final audit stage, we will plan to review internal audit's work on the Council's key financial systems to date.</p>	<p>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment, subject to review of the final internal audit reports during the financial year.</p>
Entity level controls	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none"> • Communication and enforcement of integrity and ethical values • Commitment to competence • Participation by those charged with governance • Management's philosophy and operating style • Organisational structure • Assignment of authority and responsibility • Human resource policies and practices 	<p>We have identified a control issue whereby temporary staff do not need to complete a conflict of interest or independence declaration. We have identified five such forms within a sample during the year where the form was not completed, due to the temporary status of the employees.</p> <p>We have identified a number of control issues with regards to the year end reconciliation processes at the Council; we recommend that the trial balance is reconciled to the Big Red Button output and the accounts during the closedown process, with all manual adjustments authorised by a senior member of the Finance Team.</p>

	Work performed	Conclusions and recommendations
Review of information technology controls	<p>Our information systems specialist have performed a high level review of the general IT control environment, as part of the overall review of the internal controls system.</p>	<p>We note that the IT control environment review was scheduled to commence on 1 April, and was due to complete by 31 July 2019, however we note that we are awaiting a number of items in order to conclude the IT control environment review.</p> <p>Conclusions and any recommendations resulting from the review of information technology controls will be communicated to the Audit Committee via the Audit Findings Report.</p>
Walkthrough testing	<p>We have completed walkthrough tests of the Council's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements.</p> <p>We will undertake a walkthrough of the pension liability system during the final audit.</p> <p>Our work has not identified any issues which we wish to bring to your attention. Internal controls have been implemented by the Council in accordance with our documented understanding.</p>	<p>Our work has not identified any weaknesses which impact on our audit approach.</p> <p>We will report on the results of the pension liability system within the Audit Findings Report.</p>
Journal entry controls	<p>We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.</p> <p>We will undertake detailed testing of journal entries during the final audit.</p>	<p>No issues have been identified that we wish to highlight for your attention, subject to completion during the course of the final audit.</p>

	Work performed	Conclusions and recommendations
Substantive testing (Complete)	<p>Our work on the following areas is complete, subject to the resolution of minor queries and procedures:</p> <ul style="list-style-type: none"> • Employee remuneration • Related Parties • Senior Officer Remuneration • Council Tax income • NNDR income 	<p>We will report on the outcome of our substantive testing within the Audit Findings Report.</p>
Substantive testing (In progress)	<p>The following areas are in progress:</p> <ul style="list-style-type: none"> • Cash • Investments • Long and Short Term borrowing • Welfare Expenditure • Grant income • Operating expenditure • Other expenditure • Schools expenditure • Income from Other Fees and Charges, and Contracts • Property, Plant and Equipment – initial queries • Investment Property – initial queries 	<p>We will report on the outcome of our substantive testing within the Audit Findings Report.</p> <p>We have undertaken substantive testing on the following areas but have experienced a number of delays due to issues with the production of working papers to support the financial statements, and a number of issues with the reconciliation process between the trial balance, the Big Red Button output, and the Statement of Accounts.</p> <p>In particular, these significant delays have resulted in a slippage of the timetable with regards to Income and Expenditure testing, and this has subsequently resulted in a slippage of the timetable with regards to the items in the “To be completed” section below.</p>
Substantive testing (To be completed)	<p>The following areas are subject to completion following conclusion of the areas above:</p> <ul style="list-style-type: none"> • Debtors – Long Term and Short Term • Creditors – Long Term and Short Term • Housing Revenue Account • Group Accounts • Property, Plant and Equipment – subject to receipt of initial queries & resolved responses • Investment Property – subject to receipt of initial queries & resolved responses • Pension Liability • Journal entries • Private Finance Initiatives (PFI scheme) • Finalisation work – subject to clearance of all items above. 	<p>These areas are subject to completion; following the conclusion of the areas above.</p>

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