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# Chelmsford City Council Audit & Risk Committee

**13<sup>th</sup> December 2023**

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## Internal Audit Interim Report 2023

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Report by:

Audit Services Manager

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Officer Contact:

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### Purpose

This report summarises the work that Internal Audit has undertaken from April to November 2023 and provides detail on the high risk and priority issues which could impact on the effectiveness of the internal control environment, risk management and governance arrangements across the Council.

### Recommendations

Committee are requested to note the contents of this report.

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### 1. Introduction

1.1. The audit plan for 2023-24 was approved by Audit and Risk Committee in March 2023.

1.2. Current resourcing is as follows:

- 1.0 FTE – Audit Services Manager
- 1.5 FTE – Senior Auditor

1.3. We are on track to complete the audit plan by end of March 2024, taking into consideration any high priority/urgent pieces of work which require accommodation, as discussed and agreed with management.

## 2. Conclusion

- 2.1. The Internal Audit Interim Report 2023 is attached for Audit & Risk Committee to note.

List of appendices: Internal Audit Interim Report 2023

Background papers: None

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### Corporate Implications

Legal/Constitutional: The Council has a duty to maintain an effective internal provision to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance (Regulation 5 (Part 1) of the Accounts and Audit Regulations 2015).

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: The scope of Internal Audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit & Risk Committee, management and outside parties (e.g. External Audit) on the adequacy and effectiveness of governance, risk management, and control process for Chelmsford City Council.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

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Consultees: Noted by Management Team November 2023

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Relevant Policies and Strategies: None

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## Audit Output Summary: April to November 2023

### a) Work Completed

Report Title	Assurance Rating	Key Issues Arising
Theatres - Box Office Income	Moderate	No high priority findings identified. Medium findings were identified relating to weekly reconciliations and periodic management checks.
Theatres - Food and Beverages	Substantial	No high priority findings identified. Medium findings related to the cashing up audit trail and development of expenditure analysis.
Parks and Open Spaces Income	Substantial	No high priority findings identified. One medium finding has been identified relating to timeliness of invoices.

### b) Follow Ups - Completed

Audit Title	Key Findings
Car Parks (Moderate)	In the previous report, five recommendations (three medium and two low priority) were made. Our follow up audit revealed that four recommendations have been fully implemented and one low risk recommendation relating to the Car Park Strategy is currently work in progress and has a revised due date of December 2023.
On street parking and enforcement (Moderate)	In the previous report, five recommendations (four medium and one low priority) were made and accepted by management. Based on the evidence presented, our follow up audit revealed that four recommendations (three medium and one low priority) have been implemented. The remaining outstanding medium recommendation relates to the inclusion of the Bribery Act in staff training and awareness. This will be implemented when planned wider corporate anti-bribery training is rolled out during 2023/24.
Council Tax Base (Substantial)	In the previous report, one medium recommendation was made. Our follow up audit revealed that this recommendation has been fully implemented.

**c) Audit Plan - Work in Progress and Scheduled to 31<sup>st</sup> March 2024**

Audit Title	Notes
KFS - Council Tax and Housing Benefit	Final Report due December 2023
Safer Recruitment	Final Report due December 2023
Council Surveillance	Final Report due December 2023
UKPSF (Economic Development)	Final Report due December 2023
Off-Payroll Workers	Review of the Council's arrangements for engaging off-payroll workers. Report due January 2024.
Housing Rents	Review of the Council's arrangements for Housing Rents and service charges, including managing collection and arrears and reporting and management oversight.
Volunteers	Review of the Council's arrangements for managing volunteers.
Corporate Property & Asset Management	Review of governance arrangements for Council's Corporate Property and Asset Management process, including maintenance of property records.
Members Allowances and Expenses	Review of recording, administering and monitoring Members Allowances and Expenses to ensure they comply with Council Policy and Codes of Conduct.
Member and Officer Conflicts of Interest	Review of the recording, administering and monitoring of staff/Members declarations of interest and of gifts and hospitality and to examine how the Council monitors compliance with and reports against the Council's Codes of Conduct.
Key Financial Systems 2023/24	Use of Data Analytics to review the anti-fraud controls within the Council's AP system.
Licensing & Compliance	Extended Follow Up of previous audit review, to include implementation of Dynamics and income management.
Chelmsford City Culture	Review of the Council's shared Cultural Vision, Strategy and Action Plan and its framework for reporting progress.
Financial Resilience	Review of governance arrangements for budgetary control and monitoring of savings, including monitoring the Council's compliance with Financial Management Code

Audit Title	Notes
Community Sports & Wellbeing	Review of operational and financial arrangements
Cyber and Information Security	Review of 3rd Party Supplier terms and conditions and areas highlighted by the Cyber Essentials self-assessment.

**d) Follow Ups scheduled to March 2024**

Original Audit Title	Original Assurance Rating
Procurement Cards	Limited - 3 high priority findings
Rent Deposit Scheme	N/a management letter - 2 high priority findings
KFS	Moderate – 1 high priority finding
Leisure Centres	Moderate – 1 high priority finding
Environmental Health	Substantial
Project Management Governance	N/a management letter