Thurrock Council

Standards & Audit Committee

Internal Audit Progress Report 2020/21

Date of Committee: 11th March 2021

Introduction

The internal audit plan for 2020/21 was presented to the Standards & Audit Committee on 24th November 2020.

Table showing reports issued as Final, in Draft and Work in Progress (WIP)

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Council Tax	Final	Green	0	0	0
Arboriculture	Final	Green	0	0	1
Project Management	Final	Advisory	1	1	3
BSI ISO 9001 Quality Management System Review	Final	Advisory	0	0	1
Business User Allowance	Draft with client	N/A	N/A	N/A	N/A
DBS Checks	Draft with client	N/A	N/A	N/A	N/A
No Recourse to Public Funds	Draft with client	N/A	N/A	N/A	N/A
Adoption	Draft with client	N/A	N/A	N/A	N/A
Fostering	Draft with client	N/A	N/A	N/A	N/A
Houses in Multiple Occupation	Draft with client	N/A	N/A	N/A	N/A
Water Charges	Draft with client	N/A	N/A	N/A	N/A
Complaints	Draft	N/A	N/A	N/A	N/A
IR35	Draft	N/A	N/A	N/A	N/A
NNDR	WIP	N/A	N/A	N/A	N/A
Duplicate Payments	WIP	N/A	N/A	N/A	N/A

Work and other issues for which no reports are generated

The work around the payment by results funding provided as part of the troubled families programme continues.

Ad hoc pieces of work providing support, advice and guidance around A13 project, Extra Care, use of electronic signatures for authorisation purposes in Adult Social Care etc.
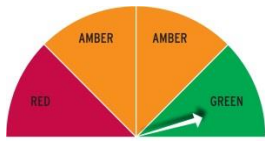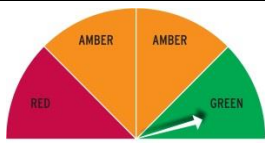
Changes to the Annual Plan

When the annual plan was originally discussed with senior management, the COVID-19 pandemic had not been identified within the UK. However, this all changed during March 20 and it is anticipated there will continue to be a significant impact on the plan due to

the pandemic, which has reduced access to front line council services and staff availability. As a result, it has been agreed with the Corporate Director of Finance, Governance and Property that moving forward, a 3 to 6 month plan will provide the additional flexibility to pro-actively address changing priorities. This plan is being presented as an agenda item at tonight's meeting.

In addition, 1 senior member of the team left in June 2020, 1 member of the team was relocated to the Thurrock Coronavirus Community Action team and 1 member of staff tested positive and was off sick for a short period of time which have all had an effect on the resources available to undertake the work in the plan. Whilst it was agreed with the Corporate Director of Finance, Governance and Property that the service required additional resources and budgets were put in place, there is currently a recruitment freeze unless the post is deemed to be critical to the operations of the council.

Key Findings from Internal Audit Work

Assignment: Council Tax	**Opinion: Green**	

Headline Findings: Our review of the **Council Tax** did not identify any significant issues around the adequacy or effectiveness of the control framework. The review looked at the following risks:

- Properties may not be charged the correct rate, leading to financial loss.
- Incomplete or inaccurate income may be received for properties.
- Uncollected direct debits may not be followed up.
- Invalid discounts and reductions may be given.
- Fraudulent discounts/exemptions might not be identified and addressed.
- Incorrect/inappropriate bills may be sent out.
- Refunds may not be appropriately authorised and paid in line with the Council's financial procedures.
- The recovery process for arrears may not be timely.
- Recoverable amounts could be written off.

Good controls were identified across all these areas. The 2 low recommendations from the previous audit had been implemented.

Assignment: Arboriculture	**Opinion: Green**	

Headline Findings: Our review of the **Arboriculture** identified 1 low recommendation around the adequacy of the control framework. The objective of the audit was, at the request of management, to look at the new asset management system being implemented to determine that it was operating as expected and its benefits were being realised. The review looked at the following risks:

- The new Tree Management system software may not be operational and meet the needs of the service.
- Staff may not have the equipment available to use the new software.
- Staff may not be trained in using the software due to the COVID pandemic.
- Data may not be secure, accurate and reliable in compliance with relevant data protection regulations.

Controls were good across the areas reviewed. The 1 low recommendation was related to issues with the interface between the new system software and Oracle. This resulted in orders having to be raised on Oracle and duplicated onto the new software. This had already been identified and the service, Council IT department and software supplier were working towards a solution.

Assignment: Project Management	**Advisory**	**Opinion not provided**

Headline Findings: Our review of the **Project Management** focused on the project management control framework and processes in development within the Place Directorate to ensure consistency across all projects managed by the directorate. Performance issues with some recent projects undertaken by the council confirmed the need for an improved project management framework and practices. Place intends to use this initiative as a pilot scheme to develop an overarching Project Management Control Framework for Thurrock Council. As this was an advisory review, we have not provided an opinion around the adequacy and effectiveness of the internal control framework. However, we did make 1 high, 1 medium and 3 low level recommendations.

Action and Response	Responsible Officer	Date
Action – It is recommended that a corporate project management policy be developed setting the council's position on project management to provide guidance and a foundation for developing control frameworks across directorates to ensure alignment of practices with the council's vision and priorities. This will help the council and individual directorates to achieve consistency and harmonisation of project management practices, and improve efficiency and effectiveness in project delivery. **Response** - The Corporate Programme Team have produced a corporate project management policy and framework, which was agreed at Directors Board on 18th November. The Place Project Framework will be reviewed in light of this 'parent' documentation to ensure it is aligned and harmonised, as well as making any changes to the Place framework which may result from that review. **Internal Audit Comment** - Since the audit was completed, it has been confirmed by the Strategy & Delivery Manager in Place that there is now an agreed corporate Project Management Policy and Framework, produced by the Project Management Office within the Transformation Team. Work is ongoing to align the Place Projects Framework to that, which was the highest rated recommendation of the audit.	PMO Manager/ Strategy & Delivery Manager	March 2021
Action – The framework should be updated to include a clear narrative description of the processes and controls required to mitigate risks identified in each stage of the project lifecycle. The number of stages or phases being considered for the directorate's project lifecycle, should take into consideration best practice available and recommendations from industry standard setters. **Response** - Industry-specific projects phases (such as RIBA, PCF etc) to be applied to the projects on a case by case basis over and above what has been set out in the overarching framework to ensure industry best practice is applied. Variations on the projects phases to be captured in the respective Project Management Plan. List of potential variations to be included as an appendix to the Framework.	Strategy & Delivery Manager	March 2021

Assignment: BSI ISO 9001 – Quality Management System	Consultancy	Opinion not provided

Headline Findings: Headline Findings: Top management should review, at planned intervals, the Quality Management System (QMS) components including:

- Policy and Objectives;
- Internal Audits (including control of non-conformities, corrective and preventative actions);

- Customer Feedback/satisfaction and communication;
- Infrastructure and work environment;
- Management Review (including Analysis of information); and
- Senior Management;

This helps the organisation to ensure that the QMS continues to be suitable, adequate and effective and is aligned with the strategic direction of the organisation.

Corrective Action: Management Reviews will be incorporated in the Service planning process, with a specific meeting scheduled and minuted during that cycle to ensure that the quality management system alignment, suitability, adequacy and effectiveness is considered and appropriate adjustments implemented.