

18 June 2019

Audit and Scrutiny Committee

Internal Audit Progress Report

Report of: *Greg Rubins, Head of Internal Audit (BDO)*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report is intended to inform the Audit and Scrutiny Committee of progress made against the approved internal audit plan for 2018/19, which was approved by the Audit Committee in March 2018.
- 1.2 The following reports have been finalised since the last Committee and a summary of our findings is included in the progress report:
- Business Continuity and Disaster Recovery
 - General Data Protection Regulations
 - Homelessness
- 1.3 The executive summaries of the above audits is included in Appendix A – Progress report.
- 1.4 The full reports are available on request.
- 1.5 A summary of outstanding recommendations from previous audits is included in Appendix B – Follow up report.

2. Recommendation

- 2.1 That the Committee receives and notes the contents of the Internal Audit Progress Report attached in Appendix A.**
- 2.2 That the Committee receives and notes the contents of the Internal Audit Follow Up Report attached in Appendix B**

3. Introduction and Background

- 3.1 This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2018/19 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised.
- 3.2 Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.
- 3.3 The Audit Committee approved the 2018/19 annual audit plan in March 2018. The progress against plan is reported at every Audit and Scrutiny Committee during 2018/19.

4. Issue, Options and Analysis of Options

- 4.1 The following reports have been finalised since the last Committee and a summary of our findings is included in the progress report:

- Business Continuity and Disaster Recovery (Moderate/Moderate)
- General Data Protection Regulations (Moderate/Substantial)
- Homelessness (Moderate/Moderate)

4.2 Business Continuity and Disaster Recovery Conclusion

Overall, we conclude that the control framework in place for the management of disaster recovery and business continuity is generally adequately designed and operationally effective, but management need to address the areas of risk identified from this review.

We note that management do not intend to implement our recommendations until March 2020, when the Council moves back to the Town Hall. This is understandable but in the meantime the Council should note it is accepting the risks involved and this should be included in the risk register.

4.3 General Data Protection Regulations Conclusion

We found that work has been undertaken to establish GDPR compliance which is in accordance with good practice principles. We have made recommendations relating to the completion of the information asset register that will require continued commitment from stakeholders from

across the Council and Senior Management. Consequently, we concluded moderate assurance over the design of the controls and substantial assurance over the operational effectiveness of the controls in place.

4.4 Homelessness Conclusion

There is a documented control framework across the majority of areas, including a homelessness strategy which incorporates the approach to rough sleeping, and timeframes for assessing those that present themselves as homeless to the Council. The framework could be improved through fully utilising the Locata system by recording progress made on a case and incorporating the complete list of KPIs being monitored, to enable clear and transparent reporting of performance. The housing service should provide additional training to their staff on document verification practices and ensure all documentation is held in a central location and available for future review. This will reduce the risk that the service will wrongfully accept a homeless duty towards an individual and protect the Council against any challenges of their decisions.

4.5 A Summary of outstanding Recommendations from previous audits are included in Appendix B – Follow up report.

4.6 This is regularly monitored by Senior Officers and will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due by 30 June 2019.

5. Reasons for Recommendation

5.1 To monitor the progress of work against the internal audit plan.

6. Consultation

6.1 Not applicable.

7. References to Corporate Plan

7.1 Good financial management underpins all priorities within the Corporate Plan.

8. Implications

Financial Implications

Name & Title: Jacqueline Van Mellaerts, Interim Chief Finance Officer

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8.1 There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Daniel Toohey, Head of Legal Services

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8.2 There are no legal implications arising directly from this report.

9. Background Papers

9.1 None

10. Appendices to this report

Appendix A – Internal Audit Progress Report

Appendix B – Internal Audit Follow Up Report

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