

Committee: Audit and Scrutiny Committee	Date: 11 March 2021
Subject: Internal Audit Progress Report	Wards Affected: all
Report of: Jacqueline Van Mellaerts, Corporate Director of Finance & Resources	Public
Report Author/s: Name: Greg Rubins, Head of Internal Audit (BDO) Telephone: 02380 881 892 E-mail: greg.rubins@bdo.co.uk Name: Janine Combrinck, Internal Audit Manager (BDO) Telephone: 020 7893 2631 E-mail: janine.combrinck@bdo.co.uk	For Information

Summary

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2020/21 internal audit plan.

The following reports have been finalised since the last Committee:

- Environment – Street Cleaning, Fly Tipping and Enforcement (Limited / Limited)
- Cyber security (Moderate/Moderate)
- Procurement and Contract Management (Substantial/Moderate)

Recommendation(s)

Members are asked to:

R1. That the Committee receives and notes the contents of the Internal Audit Progress Report attached in Appendix A.

R2. That the Committee receives and notes the contents of the Internal Audit Follow Up Report attached in Appendix B.

Introduction and Background

1. This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2020/21 internal audit plan. It summarises the work we have

done, together with our assessment of the systems reviewed and the recommendations we have raised.

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. The Audit Committee approved the 2020/21 annual audit plan in March 2020. The progress against plan is reported at every Audit and Scrutiny Committee during 2020/21.

Issue, Options and Analysis of Options

4. The following reports have been finalised since the last Committee:

Environment – Street Cleaning, Fly Tipping and Enforcement 2020/21 (Limited / Limited)

5. Our review identified weaknesses in the system of internal controls in place, with a number of significant gaps identified in procedures and controls in key areas of the street care team and enforcement team. In particular, there is a need for key performance indicators for the Street Care Team and up to date policies and procedures, as well as better monitoring of fixed penalty notices and fly tipping incidents. We have raised two high priority and four medium priority recommendations.

This has led us to our opinion of “Limited” assurance for both control design and operational effectiveness.

Cyber Security (Moderate/Moderate)

6. Overall, there is a robust framework in place for cyber security management and the Council has taken actions to design the configuration of its IT network perimeter security controls so that the exposure to a cyber-attack is reduced.

However, we found that absence of a defined cyber security training programme increases the risk that the actions of a member of staff result in the security of the Council’s IT network being compromised. The plan to respond to cyber-incidents has not been finalised, which could affect the Council’s ability to recover from an incident and could disrupt its ability to provide critical services to the public. Additionally, absence of regular scan for vulnerabilities and security issues increases the risk of security of the Council's IT network being compromised. We have raised three medium priority findings.

We conclude there is a moderate assurance over the design and operational effectiveness of the controls in place for the Council in relation to cyber security.

Procurement and Contract Management (Substantial/Moderate)

7. The Council has a well-designed system for procuring goods and services and managing its contracts. Contract monitoring arrangements are operating effectively. However, the Council's procurement policies are not always being complied with, or evidence retained to support processes, and we identified instances of signed contracts not being in place. We have raised four medium and two low priority recommendations.

Consequently, we have concluded an opinion of substantial assurance over the design of the control framework and moderate assurance over its operational effectiveness.

8. A Summary of outstanding Recommendations from previous audits are included in Appendix B – Follow up report.
9. 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 31 December 2021.

Reasons for Recommendation

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

Consultation

11. Not applicable.

References to Corporate Plan

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

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director of Finance & Resources

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

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

Legal Implications

Name & Title: Amanda Julian, Corporate Director of Law & Governance

Tel & Email: 01277 312500/amanda.jullian@brentwood.gov.uk

14. There are no legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Corporate Director of Planning & Economy

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

15. There are no economic implications arising from this report.

Background Papers

16. None

Appendices to this report

17. Appendix A – Internal Audit Progress Report
Appendix B – Internal Audit Follow Up Report