

Appendices:



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Update on 2020-21 LGSS Internal Audit Plan
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date: 14th December 2020

Policy Document: No

Services: Chief Finance Officer

Accountable Cabinet Member: Cllr Brandon Eldred

1. Purpose

- 1.1 To update the Audit Committee on progress with delivery of the 2020-21 audit plan.

2. Recommendations

- 2.1 It is recommended that the Audit Committee note the progress with delivery of the 2020-21 audit plan.

3. Issues of note

3.1 Report Background

Many financial activities transferred from Northampton Borough Council to LGSS during 2013-14 financial year. It was agreed with the S151 Officer and the Councils previous internal auditors that where LGSS have the responsibility to undertake the functions, LGSS Internal Audit would complete the assurance work, whilst the Councils internal auditors would continue to audit those aspects which remain in the direct control of the council.

Since the last update report to the Audit Committee in August 2020, a decision has been made on the future of LGSS. In terms of the impact on NBC, the services are now being delivered either directly as hosted by the County Council until migration to West Northamptonshire Council, or via a lead authority depending on the service element.

This report provides the Audit Committee with an update on planned work for 2020-21.

3.2 Issues

Progress on Delivery of the 2020-21 Audit Plan

At the August 2020 Audit Committee, a revised plan for 2020-21 was agreed. Progress against this plan is detailed in the table below.

Audit	Status	Control Environment Assurance	Compliance Assurance	Organisation Impact
c/fwd 2019-20 Reviews				
Agresso IT Review	Draft*	Satisfactory	Satisfactory	Minor
Treasury Management	Planning			
General Ledger	Planning			
2012-21 Reviews				
Council Tax	Draft*	Good	Good	Minor
Q1-2 Balance Sheet Review	Complete	n/a	n/a	n/a
Q3 Balance Sheet Review	Fieldwork			
Q4 Balance Sheet Review				
Business Rates				
Accounts Payable				

**This audit was still at draft report stage at the time of writing this report but the emerging opinions are included.*

Key points to note include:

- Q1-2 Balance Sheet Review** – The scope of the review covered the following - (a) bank account reconciliations and (b) control account reconciliations covering accounts payable, accounts receivable, payroll, rents, council tax and business rates. Overall, the review has found that there are effective processes in place to ensure that reconciliations are completed on a timely basis, are subject to review by an independent officer with action taken to clear unreconciled transactions on a timely basis.

The only issue identified was that limited progress has been made in resolving historical unreconciled payroll transactions. We will continue to assess progress with clearing these transactions as part of the planned Q3 and Q4 reviews.

- **C/fwd 2019-20 Reviews** - Three audits were in progress at the time lockdown commenced in March 2020. These have not yet been completed and an update on these audits is detailed below:
 - In respect of the Agresso IT review, the audit is at a draft report stage and this has been the subject of detailed discussions with relevant officers. Final responses are now being sought prior to this report being finalised.
 - For the two other audits (i.e. Treasury Management, General Ledger,) work undertaken prior to lockdown was assessed in August and it was determined that due the time that had elapsed and the impact of Covid 19, that new audits would be undertaken during 2020-21. To allow for appropriate coverage of activity, a revised start date of November / December 2020 was determined.

Whilst we had initially anticipated that more of the plan would have been completed by this time, we still expect to complete the remaining audits by the end of March 2021.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no policy implications associated with this report.

4.2 Resources and Risk

4.2.1 There are no resource or risks implications associated with this report.

4.3 Legal

4.3.1 There are no legal implications associated with this report.

4.4 Equality

4.4.1 There are no specific equality impacts relating to this report.

4.5 Consultees (Internal and External)

4.5.1 This update has been drafted in consultation with the Chief Finance Officer and Governance and Risk Manager.

4.6 Other Implications

4.6.1 None

5. Background Papers

5.1 None

Duncan Wilkinson - Chief Internal Auditor, LGSS

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