
EXTERNAL AUDITOR REPORTS – UPDATES

1 INTRODUCTION

- 1.1 Recommendations from the Council's external auditors and other inspectors are monitored by Internal Audit for progress of implementation and their review falls within the discretion of this Committee.

2 FINAL REPORT TO THE AUDIT COMMITTEE FOR YEAR 2016/17

- 2.1 This report draws Members' attention to the findings, outstanding recommendations and management responses arising from the Final Audit Report for the year ended 31 March 2017 (Appendix 1). The Final Audit Report was presented to this Committee by EY, the Council's external auditor, in September 2017.

3 CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2016/17

- 3.1 This report also draws Members' attention to the finding and outstanding recommendation arising from the Certification of Claims and Returns Annual Report for 2016/17 (Appendix 2). This report was presented to this Committee by EY in January 2018.
- 3.2 Outstanding recommendations, management responses and progress to date are appended.

4 RISK IMPLICATIONS

- 4.1 Failure to implement recommendations could result in a weaker control environment and may impact on the delivery of the Council's objectives.

5 RESOURCE IMPLICATIONS

- 5.1 None.

6 CRIME AND DISORDER IMPLICATIONS

- 6.1 None.

7 ENVIRONMENTAL IMPLICATIONS

- 7.1 None.

8 LEGAL IMPLICATIONS

- 8.1 None,

9 PARISH IMPLICATIONS

- 9.1 None.

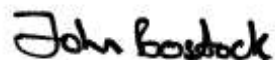
10 EQUALITY AND DIVERSITY IMPLICATIONS

10.1 None.

11 RECOMMENDATION

11.1 It is proposed that the Committee **RESOLVES**

That the updates provided in the appended monitoring sheet in respect of the external auditor's recommendations be noted.



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Background Papers:-

None.

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EY RECOMMENDATIONS ARISING FROM FINAL REPORT TO THE AUDIT COMMITTEE 2016/17

RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
<p>Value for Money</p> <p>3. Internal Audit should complete all key audit work, for example risk management audits, by the date the Head of Internal Audit issues the Internal Audit Opinion</p>	<p>All work essential to providing an informed opinion on the control environment is completed prior to provision of the Chief Audit Executive’s annual opinion.</p> <p>The Head of Internal Audit is satisfied that key audit work has been completed to a level sufficient to reach a valid Annual Audit Opinion</p>	<p>Chief Audit Executive</p>	<p>May 2018</p> <p>Complete</p>
<p>4. Internal Audit should put in place plans to resource and deliver information control & technology (ICT) and fraud coverage during 2017/18</p>	<p>Efforts have been made to engage outside contractors to undertake key pieces of ICT work, but cost has prevented this. As a result Internal Audit has sent out detailed control questionnaires to address the issue.</p> <p>Based on the questionnaire and other available records a non-technical overview of ICT security has been completed during 2017/18</p> <p>The perceived fraud risk at Rochford is low.</p>	<p>Chief Audit Executive</p>	<p>Complete</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
	<p>The main risks relate to Housing Benefits, Council Tax and Non Domestic Rates. Much work has been done in these areas to mitigate the risk; for example through the National Fraud Initiative, Pan Essex Data Hub and internal pro-active exercises by the Revenues & Benefits Team</p> <p>An overview of the counter-fraud arrangements at the Council has been carried out, leading to more detailed work planned for 2018/19</p>		

Appendix 2

EY RECOMMENDATION ARISING FROM CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2016/17

RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
The Benefits Team to perform early extended testing in those areas where errors were identified in 2016/17 to ascertain the extent of similar errors arising 102017/18	<p>Agreed</p> <p>Will be carried out when final Housing Benefit Subsidy Claim for 2017/18 is produced and samples for testing selected by external audit</p>	S151 Officer	31/7/2018