

 <p><b>Lee Valley Regional Park Authority</b></p> <p><b>LEE VALLEY REGIONAL PARK AUTHORITY</b></p> <p><b>AUDIT COMMITTEE</b></p> <p><b>21 SEPTEMBER 2023 AT 13:00</b></p>	<p><b><u>Agenda Item No:</u></b></p> <p><b>6</b></p> <p><b><u>Report No:</u></b></p> <p><b>AUD/136/23</b></p>
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## INTERNAL AUDIT UPDATE

Presented by Head of Finance

### SUMMARY

The purpose of this report is to update Members on the internal audit programme and related activity including any instances of fraud, corruption or whistleblowing.

### RECOMMENDATION

Members Note: (1) the report.

### BACKGROUND

- 1 In February 2018 (Paper AUD/85/18) the Audit Committee approved the award of a six-year contract to Mazars to deliver the Authority's internal audit requirements, procured through the London Borough of Croydon framework agreement.
- 2 2023/24 is the sixth and final year of this contract. There is a possibility of a two-year extension and officers have discussed with Croydon if this will be available. It is expected that by the end of September this will be confirmed. Officers are considering alternative options in case the extension is not available.

### 2023/24 INTERNAL AUDIT PLAN

- 3 The Audit Plan for 2023/24 was approved by the Audit Committee in June 2023 (Paper AUD/133/23). The table below summarises the scheduled audits.

4 <b>Audit Area</b>	<b>Description (subject to scoping before audit)</b>	<b>Planned Days</b>	<b>Target Start Date</b>
Data Management	Initial priorities that may be included in the scope include data privacy governance, incident and data breach management, policies and procedures, staff training and awareness	10	Oct 2023
Marinas – Financial and Booking Systems	Coverage of processes for managing bookings and receiving payments on the systems at the Authority's marinas. This follows from a similar audit at the campsites in 2022/23.	8	Oct 2023
Leisure Services Contract	This review will consider the Authority's management of selected risks relating to contract management of the LSC. This may	10	Jan 2024

(LSC) Contract Management	include overall contract management and performance monitoring or focus on selected sites or elements of the specification. This follows on from the LSC contract audit in 2022/23.		
Business Continuity Planning	This review will consider the Authority's controls to respond to business incidents. This could consider risk identification and business impact analysis, development of overall/site specific business continuity plans, staff training, testing.	7	Feb 2024
Creditors and Credit Cards	Cyclical review of core financial controls – Creditors and Credit Cards planned for 2023/24.	10	Jan-Mar 2024
Follow Up	Review of the implementation of recommendations from previous audits.	7	Ongoing
Management	Resources for client and external audit liaison.	10	Ongoing
Contingency	Resources that will only be utilised should the need arise.	15	As requested
<b>Total</b>		<b>77</b>	

- 5 Dates for the two audits scheduled for October have been confirmed and more detailed work will take place beforehand to agree appropriate scopes.

#### **IMPLEMENTATION OF RECOMMENDATIONS FROM AUDITS**

- 6 Following each internal audit Mazars make recommendations. Officers provide management responses and propose actions that will be taken, identifying responsible officers and target deadlines. As part of the annual programme Mazars follow up on recommendations from previous audits to review implementation. Key areas of progress against recommendations identified in 2022/23 audits are summarised below.

**7 Fraud Prevention and Detection Framework**

Following recommendations from this audit, the Counter Fraud, Bribery and Corruption Policy, Whistleblowing Policy and Fraud Response Plan have been reviewed and updated. The revisions to these policies are to be considered by the Audit Committee at this meeting with a recommendation for approval by the Authority in October.

A section has been included in this update to provide a summary of any instances of fraud, corruption or whistleblowing that are reported throughout the year, in line with Audit Committee's terms of reference.

**8 Estates and Facilities**

Additional resource has been brought into the Asset Protection, Maintenance and Development team which will help to deliver the recommendations identified in this audit.

**9 Training and Development**

Following recommendations from this audit the Training and Development Policy was updated and approved by Authority in April 2023 (Paper A/4335/23).

## **FRAUD RESPONSE UPDATE**

- 10 As mentioned earlier in the report, Audit Committee will be updated regularly on any instances of fraud, corruption or whistleblowing.
- 11 Members of the Audit Committee were informed at the meeting on 22 June 2023 that the Authority had received an allegation of fraud and Mazars were appointed to undertake an investigation. They have concluded that there was insufficient evidence to judge if fraudulent activity had taken place. Recommendations to improve controls were highlighted that are being implemented.

## **ENVIRONMENTAL IMPLICATIONS**

- 12 There are no environmental implications arising directly from the recommendations in this report.

## **EQUALITY IMPLICATIONS**

- 13 There are no equality implications arising directly from the recommendations in this report.

## **FINANCIAL IMPLICATIONS**

- 14 There are no financial implications arising directly from the recommendations in this report.

## **HUMAN RESOURCE IMPLICATIONS**

- 15 There are no human resource implications arising directly from the recommendations in this report.

## **LEGAL IMPLICATIONS**

- 16 There are no legal implications arising directly from the recommendations in this report.

## **RISK MANAGEMENT IMPLICATIONS**

- 17 There are no risk management implications arising directly from the recommendations in this report.

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## **PREVIOUS COMMITTEE REPORTS**

Audit Committee	AUD/133/23	Annual Report on the Work of Internal Audit 2022/23 and Audit Plan 2023/24	22 June 2023
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