



**LEE VALLEY REGIONAL PARK AUTHORITY**  
**AUDIT COMMITTEE**  
**29 FEBRUARY 2024 AT 13:00**

**Agenda Item No:**

**5**

**Report No:**

**AUD/142/24**

## **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. Officers have been in discussion with Croydon who have confirmed that there will be a two-year extension. This is currently being finalised and once complete the Authority will be sent an updated access agreement. Officers intend to take up this extension.

### **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 audits and their current status.

4	<b>Audit Area</b>	<b>Description (subject to scoping before audit)</b>	<b>Planned Days</b>	<b>Target Start Date</b>	<b>Status</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	Fieldwork complete. Awaiting draft report.
	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	Jan 2024	Fieldwork complete. Awaiting draft report.

Letsure Services Contract (LSC) Contract Management	This review will consider the Authority's management of selected risks relating to contract management of the LSC. This may 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.	10	March 2024	Due to Start April 2024.
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	Fieldwork complete. Awaiting draft report.
Creditors and Credit Cards	Cyclical review of core financial controls – Creditors and Credit Cards planned for 2023/24	10	Oct 2023	Draft report received.
Follow Up	Review of the implementation of recommendations from previous audits.	7	Ongoing	Draft report received.
Management	Resources for client and external audit liaison.	10	Ongoing	N/A
Contingency	Resources that will only be utilised should the need arise.	15	As requested	N/A
<b>Total</b>		<b>77</b>		

## 5 Creditors and Credit Cards

The draft report has been received for the Creditors and Credit Cards audit, which has given an audit opinion of Moderate Assurance. Four recommendations have been proposed, one of which is medium priority and three of which are low priority. Officers will review and provide comments back to Mazars before the final report is agreed.

The findings from all of these audits will be included in the annual internal audit report and reported to Audit Committee in June.

## IMPLEMENTATION OF RECOMMENDATIONS FROM AUDITS

6 As part of the annual programme Mazars follow up on recommendations from previous audits to review implementation. Mazars have produced a draft follow-up report as at January 2024, which officers will review before a final report is issued.

7 Mazars reviewed all outstanding recommendations due to have been implemented by the time of the review and verified their status. This covered 56 recommendations across 14 audits, from 2018/19 to 2022/23. Officers provided status updates and evidence for Mazars to consider, and they have summarised the results as follows:

- 24 recommendations (43%) have been implemented;
- 17 recommendations (30%) have been partly implemented;
- 9 recommendations (16%) have not been implemented;
- 6 recommendations (11%) have been superseded (where the related risk is no longer applicable due to organisational change or alternative control).

This represents good progress. Once superseded recommendations are removed, 80% of remaining recommendations have been partly or fully implemented.

- 8 Of the 17 recommendations which are Partly Implemented:
- One is categorised as a Priority One finding (Estates and Facilities). This is concerning the schedule of statutory checks, planned maintenance, and reactive repairs across the venues. Good progress has been made in implementation of a computer aided facilities management (CAFM) system across Leisure Services Contract (LSC) venues, and the updating of all maintenance performance guides (MPGs) and associated training for venue managers. Further work to improve the undertaking of legionella associated MPGs is underway and due to be completed by March 2024.
  - Six are categorised as Priority Two findings (one from Cash and Banking, one from Risk Management Framework, two from Staff Training and Development, and two from LSC Contract Management).
- 9 Of the nine recommendations which are Not Implemented:
- Six are Priority Two (One from Induction Management, one from Risk Management Framework, four from Contract Management).
- 10 All actions that are Partly Implemented or Not Implemented have a lead officer assigned, a plan for implementation, and a revised target date.

#### **FRAUD RESPONSE UPDATE**

- 11 Under the Fraud Response Plan, Audit Committee will be updated regularly on any instances of fraud, corruption or whistleblowing.
- 12 Officers were recently made aware of a potential incident of fraud and/or corruption by a member of staff via the Whistleblowing Policy. Having conducted a fact-finding investigation, Senior Management concluded that whilst no fraud had taken place, there were a number of procedures that need to be reviewed to ensure that scope and risk of fraud were further reduced.

#### **ENVIRONMENTAL IMPLICATIONS**

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

#### **EQUALITY IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

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

#### **HUMAN RESOURCE IMPLICATIONS**

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

#### **LEGAL IMPLICATIONS**

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

## **RISK MANAGEMENT IMPLICATIONS**

- 18 The internal audit programme provides assurance that the Authority has adequate controls in place to manage risks.
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## **ABBREVIATIONS**

CAFM Computer aided facilities management  
LSC Leisure Services Contract  
MPG Maintenance performance guides

## **PREVIOUS COMMITTEE REPORTS**

Audit Committee	AUD/136/23	Internal Audit Update	21 September 2023
Audit Committee	AUD/133/23	Annual Report on the Work of Internal Audit 2022/23 and Audit Plan 2023/24	22 June 2023