



South Lakeland District Council

Summary Internal Controls Assurance (SICA) Report

2022/23

July 2022

Internal Audit

FINAL

APPENDIX 1

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at South Lakeland District Council as at 11th July 2022.

Emerging Governance, Risk and Internal Control Related Issues

2. According to the United Nations (UN) World Commission on Environment and Development, environmental sustainability is about acting in a way that ensures future generations have the natural resources available to live an equal, if not better, way of life as the current generations.

The world is now looking towards a vital global goal: net-zero. According to climate science it is essential that we meet this target by 2050 if we are to give ourselves a chance of limiting global warming and avoiding the most catastrophic impacts of climate change. The UK's Climate Change Act 2008 sets the framework for how the UK will manage and respond to the threat of climate change. Under the Act, the UK must reduce total GHG emissions by at least 78% below 1990 levels by 2035 and reach net zero by 2050.

Since 1st October 2013 the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has required all UK quoted companies to report on their greenhouse gas emissions as part of their annual Directors' Report. Increasingly, organisations are seeking information from their suppliers on greenhouse gas emissions, and as a result, many small businesses will be expected to measure and report on their emissions.



At TIAA, we have been taking this seriously for a number of years and are proud to have been accredited to the Green Dragon Environmental Certification since 2012, achieving Standard 3 in February 2022. Through our accreditation with Green Dragon, we understand our baseline emissions, set annual targets in order to reduce our impact and are focussed on implementing our most straight forward carbon reduction opportunities in the near future, before tackling longer term, more complex issues that may require cooperative working with other organisations.

Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Project Management	Limited	01/04/2022	25/04/2022	27/04/2022	1	5	1	0
Administration of Grants	Reasonable	06/05/2022	11/07/2022	13/07/2022	0	5	1	0
Risk Management	Reasonable	07/07/2022	07/07/2022	11/07/2022	0	1	0	0

4. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2022/23 Annual Plan

5. Our progress against the Annual Plan for 2022/23 is set out in Appendix A.

Changes to the Annual Plan 2022/23

6. There are no changes proposed to the Annual Plan at this time.

Progress in actioning priority 1 recommendations

7. We have made one Priority 1 recommendation (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. Confirmation has been received that management actions have been taken to ensure the risk exposure identified has been effectively mitigated.

Frauds/Irregularities

8. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

9. We have issued a number of briefing notes and fraud digests, shown in Appendix B, since the previous SICA report.


Responsibility/Disclaimer


10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.


Progress against Annual Plan


System	Planned Quarter	Current Status	Comments
Risk Management	1	Complete	Final Report Issued
Data Integrity	1	tbc	
Development Control	1	tbc	
Procurement	2	Planned Start Date 10 th October 2022	
Income Management – Car Parking	2	tbc	
Land Charges and Building Control	2	Planned Start Date 30 th August 2022	
Council Tax Rebate Payments	2	Planned Start Date 20 th September 2022	
NNDR	3	tbc	
Disabled Facilities Grant	3	tbc	
Cash Receipting	3	tbc	
ICT – Asset Management	3	tbc	
Main Accounting System	4	tbc	
Business Continuity	4	tbc	
Follow Up	1 - 4	Ongoing	Next report to July Audit Committee

KEY:

 To be commenced

 Site work commenced




 Draft report issued

 Final report issued

Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk and Control which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued in the last three months which may be of relevance to South Lakeland District Council is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 22014	Deadline for Withdrawal of Old Style £20 and £50 Notes		This is for information purposes. All staff within affected service lines such as cashiers, retail assistants and other should be made aware of the process for handling withdrawn notes. All relevant notes held should be banked before 30 th September 2022.
CBN - 22015	More than 75% of larger charities targeted by cyber criminals since last year		Action Required: Audit Committees and Boards are recommended to seek assurance that IT security remains on the agenda, and to seek assurances checked that systems are patched, monitored, and backed up. IT Disaster Recovery plans should be regularly reviewed to keep up to date, and subject to table-top exercise testing, ideally using a malware incident scenario such as the NCSC's "Exercise in a box".
CBN - 22019	Internal Audit: Untapped Potential		Action Required Audit Committees and Boards / Governing Bodies are advised to note the report.