

## PROGRESS AGAINST THE 2013/14 AUDIT PLAN

### 1. INTRODUCTION

- 1.1 The purpose of this report is to inform members of the Audit Committee of progress made against the 2013/14 audit plan, which was approved in March 2013.

### 2. INTERNAL AUDIT PLAN 2013/14 KEY POINTS

- 2.1 Appendix 1 shows the progress made against the audit plan. Progress is demonstrated by recording the current status of each audit at the time of putting this report together (10<sup>th</sup> June 2013).
- 2.2 Where audits have been completed, the assurance level and number of agreed recommendations made have been shown. (The Internal Audit Charter provides a description of assurance levels).
- 2.3 The audit days in quarter one are higher than the remaining quarters. This shows the reduction in days available later in the year, as during July, a member of the team will start maternity leave. This absence has been taken into account when preparing the audit plan for 2013/14. At this time the plan is on target and should be adequately resourced.
- 2.4 Appendix 2 lists other audit work where the outcome will not result in an issued report, therefore assurance levels are not provided. Work for Third parties is recorded within this Appendix. Both Town Council Audits have been completed.
- 2.5 Internal Audit monitors progress made against agreed audit recommendations. Where high priority recommendations are overdue they are reported to EMT and Audit Committee. As at 10<sup>th</sup> June the following recommendations remains overdue;
- Swipe card provision (same recommendation reported in March 2013)  
The service is considering a new specification and framework contracts available. The work is detailed within the services' Service Action Plan.
  - Some recommendations surrounding PCI DSS  
Progress is being across all recommendation made. Internal Audit will be meeting the service to follow up progress on 10<sup>th</sup> July.
  - Experian  
The current system does not provide adequate management information. This service was tendered earlier in the year but the procurement exercise was unsuccessful. The service will go back out to the market again and this should resolve the recommendation made.

A number of recommendations are due by the end of June 2013. The Internal Audit Manager will provide a verbal update at Committee if it is considered unlikely that these recommendations will be completed.

### 3. FINANCIAL IMPLICATIONS & CRIME AND DISORDER IMPLICATIONS

- 3.1 There are no direct financial implications arising from this report, however inadequate coverage may result in areas of control weaknesses not being identified with the raised potential for fraud and adverse comment from the External Auditor with regards to the level of assurance that can be placed on the work of the internal audit team.

**4. ENVIRONMENTAL MATTERS & EQUALITY AND DIVERSITY IMPLICATIONS**

4.1 There are no matters arising directly from this report.

**5. RECOMMENDATION**

5.1 The Audit Committee note the content of the report.

**For Further Information Please Contact:**

Lucinda Upton  
Internal Audit Manager  
Tel: (023) 8028 5588  
E-mail: [lucinda.upton@nfdc.gov.uk](mailto:lucinda.upton@nfdc.gov.uk)

**Background Papers:**

Internal Audit Plan 2012/13  
Audit Committee - July 2012

Audit Area	Days	Q1	Q2	Q3	Q4	Assurance level	Number of Recommendations				Additional Comments
							High	Medium	Low	VFM	
Subsidy Testing	50	WIP				N/A	N/A	N/A	N/A	N/A	N/A
Income streams	20	WIP				N/A	N/A	N/A	N/A	N/A	
Expenditure streams	20	WIP				N/A	N/A	N/A	N/A	N/A	
Governance	15	completed				N/A	N/A	N/A	N/A	N/A	Review of Local Code of Good Governance
Land Charges	15	completed				Reasonable	1	3	0	0	
Trees (Council owned)	10	Draft									
Pest Control	8	WIP									
Dog Wardening	8										
Engineering Works	15	WIP									
Procurement/Contract Management	30	WIP									
Information Governance	15										
Economic Development	10										
IT Audit	15										
ICT Maintenance	15										
Section 106 / CIL	10										
Building Works - Reactive	15										
Central Purchasing/Stores	15										
Treasury Management	5										
Council Tax	20										
Landlord services (rents)	15										
Main Accounting System inc bank reconciliation	20										
Accounts Receivable	15										
Income	15										
Payroll (inc NFNPA testing)	25										
National Non Domestic Rates	20										
Benefits & Fraud Investigation	15										
Accounts Payable	15										
Member Allowances & Expenses	5										
Sports and Play Development and Other Community Grants	15										
Resident Involvement	5										
Asset Management	10										
Leader (on third party behalf)	2										
Safeguarding	2										

**Audit Plan Timetable and Outcomes 2013/14**

Estate Management (non housing stock) Valuers & Hythe Market	15									
Environmental Health - Commercial	15									
Housing Needs/Homelessness/Housing Register/B&B	15									
Domestic Refuse - Waste and Recycling inc special collections and garden waste	15									
Parking & Enforcement	15									
Highways & Traffic Management	15									
Partnerships (Assurance)	10									
Electoral Services	10									
Community Safety & CCTV (Inc Anti Social Behaviour)	10									

During Quarter one, both Town Council audits were also completed. This equated to 11 days of work for a fee.

Audit Work	Comment
<b>Advice and Liaison</b>	
Ernst & Young (External Audit)	Ongoing liaison throughout the year
Authorised Signatories	Ongoing - providing advice for managers
Contracts Advice	Ongoing - providing advice for managers
Waivers	Ongoing - providing advice for managers and EMT. Report being drafted for 12/13
Financial Regulations	Ongoing - providing advice for managers
<b>Projects/Policy Review</b>	
Financial Regulations	Work in progress - recommendation in AGS
Corporate Projects (inc Housing and Reactive Works)	Part of Housing review team
<b>Fraud/ Investigation Related</b>	
Investigations	Internal Audit will investigate all reported cases
Banking - Irregularities and general H&L queries	Nothing to report to Committee as a significant concern.
Fraud Training	New package to be rolled out
Policy review	Due in January 2014
NFI overview	Will review progress in August 2013
Incident Reporting	New e-form template drafted. ICT to assist with its implementation onto Forestnet
<b>3 Party Contracts</b>	
Town Council - Audit 1	Completed
Town Council - Audit 2	Completed
Dorset partners	ongoing
<b>Other</b>	
Contingencies	Ongoing
Audit Management (inc Performance Management, Planning, Supervision/signing off of audits, Meeting and Committee attendance, annual reporting, liaison with external audit etc) and Team training and development, office routine, meetings and Contingency	Ongoing