

## **PROGRESS AGAINST THE 2015/16 INTERNAL AUDIT PLAN**

### **1. INTRODUCTION**

- 1.1 The purpose of this report is to inform members of the Audit Committee of progress made against the 2015/16 audit plan, which was approved in March 2015.

### **2. INTERNAL AUDIT PLAN 2015/16 PROGRESS**

- 2.1 Appendix 1 shows the progress made against the 2015/16 internal audit plan to 10<sup>th</sup> June 2015. Progress is demonstrated by recording the current status of each audit assignment, the audit opinion and a summary of the number of recommendations made.
- 2.2 The internal audit plan is timetabled to ensure the audit assignment can be undertaken at the most effective time. Appendix 1 shows the audits planned for each quarter of the year. This detail has been discussed with management.
- 2.3 The plan is on schedule. The majority of work undertaken in the first two months includes;
- Assurance and risk based service areas
  - Governance review
  - Management support, particularly in relation to procurement
  - Section 151 requests, to include an independent review
  - Real time exception testing (creditors)
  - Attendance at projects including Affordable Housing and Fit For Future
  - Follow up of audit recommendations
  - Work with third parties including the External Auditor's Subsidy testing, Town Councils audits and a domestic homicide review.
  - Fraud risk register review
- Further detail is provided in appendix 2.
- 2.4 There are no requests to amend the audit plan following the latest risk assessment. The timing of the Landscape and open space review has however been brought forward to support requests from the Head of Environment Services.
- 2.5 There are no frauds that need to be brought to your attention at this time although one whistleblowing case was reviewed. The case is closed and concluded as an administration error of a customer.
- 2.6 The Internal Audit Manager has met with other local councils to assess opportunities to build an improved Counter Fraud network and to analyse how cross county border data sharing could be carried out to support counter fraud work whilst still complying with the Data Protection Act and other relevant legislation. No conclusions have been made yet but a number of options are being considered and will be reported back to the Executive Director (S151) for initial consideration.

## **PROGRESS ON HIGH PRIORITY RECOMMENDATION**

- 2.7 Internal Audit monitors progress made against agreed audit recommendations. Currently high priority recommendations outstanding include;
- Payment Card Industry Data Security Standards (PCI DSS) compliance  
Action being taken: ICT Security has procured a Qualified Assessor to support the Council in achieving its PCI DSS compliance. The first support day is planned for the 16<sup>th</sup> June 2015. This area will continue to be supported by Internal Audit.
  - Community Grants  
Recommendations made included a lack of a procedure manual and evidence held to support approved claims.  
Action: This area will be audited during 15/16 to assess progress.
  - Building Control  
It was recommended that the service reconcile the income recorded on the building control system to the general ledger to ensure all income is accurately posted.  
Action: The service is requesting assistance from ICT to provide system reports to help facilitate the process. This area will be audited during 15/16 to verify progress made.
  - Asset Management  
It was recommended that the service undertake a reconciliation to ensure all expected leases had been charged and that the charges had been raised correctly.  
Action: The service is awaiting a system upgrade to help facilitate the process. This area will be audited during 15/16 to verify progress made.
- 2.8 For new members of the Audit Committee, the approved risk based internal audit plan from the March 2015 meeting is detailed in Appendix 2, together with the associated assurance framework.

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

- 3.1 There are no direct financial implications arising from this report, however inadequate audit coverage may result in areas of control weakness, unacceptable risks or governance failings as well as the increased potential for fraud and error.

## **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 and raise any further areas of assurance coverage that they require.

### **For Further Information Please Contact:**

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### **Background Papers:**

Internal Audit Plan 2015/16  
Audit Committee – March 2015