

AUDIT COMMITTEE – 18th MARCH 2016

PROGRESS AGAINST THE 2015/16 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.

3. INTERNAL AUDIT PLAN 2015/16 PROGRESS

- 3.1 Appendix 1 shows the progress made against the 2015/16 internal audit plan to end of February 2016. Progress is demonstrated by recording the current status of each audit assignment, the audit opinion and a summary of the number of recommendations made.
- 3.2 The internal audit plan is timetabled to ensure the audit assignments can be undertaken at the most effective time. Appendix 1 shows the audits planned for each quarter of the year.
- 3.3 As previously reported the Council Tax Audit was rescheduled for Q4 and the Elections Audit has been moved to November 2016. The scope of the Housing Development inc Affordable Housing, Private Sector Leasing & Empty Properties audit has changed to mainly concentrate on Private Sector Leasing due to the recent issues encountered at Savoy House. This Audit has now been completed but is awaiting review by the Principal Auditor.
- 3.4 The IT Network Audit has been postponed, this has been agreed with the Resources Executive Head and will be completed when the Service Manager for ICT has been recruited.
- 3.5 There are 3 Audits that will not be completed within 15/16 these are:
- Health and Safety
 - Environmental Health- Pollution
 - Landscape and Open Space
- There are a number of reasons for this, loss of Auditor time during the recruitment period in August, extra days spent on the Private Sector Leasing Audit and also a higher volume of financial appraisals being undertaken including those for the Beach Hut Contract. These Audits have been included in the 16/17 Audit Plan.
- 3.5 The majority of work undertaken within the year includes;
- Assurance and risk based service areas
 - Procurement Service Review
 - Real time exception testing (creditors)
 - NNDR System migration
 - Attendance at projects including Affordable Housing and implementation of new Procurement Legislation
 - Follow up of audit recommendations
 - Work with third parties including the External Auditor's Subsidy testing, Town Councils audits and Partnership Audits
 - Fraud risk register review
- 3.6 There are no frauds that need to be brought to your attention at this time.

4. PROGRESS ON HIGH PRIORITY RECOMMENDATION

- 4.1 Internal Audit monitors progress made against agreed audit recommendations. Currently high priority recommendations outstanding include;
- Payment Card Industry Data Security Standards (PCI DSS) compliance.
Adelante- This non-compliant payment system is no longer in use.

An external qualified assessor is returning in January to help segregate the NFDC payment systems on the network. Audit continues to work closely with the ICT Security team to ensure completion of the action plan.

- **Business Continuity**
To ensure that all business units, that are deemed to have Critical Activities, have up to date Business Continuity Plans
To ensure Disaster Recovery Plans are created for each Critical System
High level of responsibility needs to be taken for creating and implementing business continuity plans and ensuring they are kept up to date
At present no further action has been taken regarding these recommendations and they will be reviewed following the Management Restructure

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