

EMT – 13 June 2016

AUDIT COMMITTEE – 28 June 2016

PROGRESS AGAINST THE 2016/17 AUDIT PLAN

1. INTRODUCTION

1.1 The purpose of this report is to inform members of the Audit Committee of progress made against the 2016/17 audit plan, which was approved in March 2016.

2. RESOURCES

2.1 With effect from July 2016 Internal Audit will be responsible for Information Governance. This responsibility will be covered by a new post, Information Governance Officer and ICT Auditor. A further change within the Service has been to update the Job Description of an Auditor to Corporate Fraud and Compliance Officer, which will not result in a change to working practice as the role is currently being completed within Internal Audit and the new Job description will agree to the work already undertaken.

2.2 The changes above have resulted in the need to back fill an Auditor Post. This has been agreed as part of the Service Managers new structure for Internal Audit and Accountancy.

2.3 The new Internal Audit Structure can be found at Appendix 1.

3. INTERNAL AUDIT PLAN 2016/17 PROGRESS

3.1 Appendix 2 shows the progress made against the 2016/17 internal audit plan to June 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 2 shows the audits planned for each quarter of the year.

3.3 The plan is on schedule. The majority of work undertaken in the first three months includes;

- Assurance and risk based service areas
- Real time exception testing (creditors)
- Attendance at projects including Affordable Housing and Procurement Review
- Follow up of audit recommendations
- Work with third parties including :
Completed 2 Town Council audits
External Auditor's Subsidy testing
Dorset Audit Partnership

3.4 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
A report will be taken to Executive Management Team in June and will be presented to Audit Committee in September.
- Asset Management
It was recommended that the service (Estates and Valuations) undertake a reconciliation to ensure all expected leases had been charged and that the charges had been raised correctly.
Action: This recommendation was reported as outstanding in last year's annual report and the service was awaiting the implementation of a case management system. This recommendation has been represented in this year's Asset Management report with a deadline for completion of 31st July 2016. Work is progressing on automating systems to ensure that the charges are raised at the correct time.
- 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
The Service Manager (Compliance and Coastal) now responsible for Business Continuity has recently been informed of these recommendations that remain outstanding.

5. FINANCIAL IMPLICATIONS & CRIME AND DISORDER IMPLICATIONS

- 5.1 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.

6. ENVIRONMENTAL MATTERS & EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 There are no matters arising directly from this report.

7. RECOMMENDATION

- 7.1 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:

Glenda Chambers
Principal Auditor
Tel: (023) 8028 5588
E-mail: glenda.chambers@nfdc.gov.uk

Naomi Kitcher
Senior Auditor
Tel: 023 8028 5588
Email: Naomi.kitcher@nfdc.gov.uk

Background Papers:

Internal Audit Plan 2015/16