

AUDIT COMMITTEE – 25 AUGUST 2017

PROGRESS AGAINST THE 2017/18 AUDIT PLAN

1. INTRODUCTION

- 1.1. The purpose of this report is to inform members of the Audit Committee of progress made against the 2017/18 audit plan, which was approved in March 2017.

2. RESOURCES

- 2.1 The Principal Auditor has resigned and an external unsuccessful recruitment process has been undertaken. Discussions are now taking place regarding interim arrangements to provide the necessary cover in this position until the end of March 2018.
- 2.2 The Audit/Accountancy apprentice has recently been appointed and will start in September.

3. INTERNAL AUDIT PLAN 2016/17 PROGRESS

- 3.1. Appendix 1 shows the progress made against the 2017/18 internal audit plan to end of July 2017. 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 majority of work undertaken includes;
- Assurance and risk based service areas
 - Review of contract payment certificates
 - Stock takes, cash ups and petty cash checks
 - Follow up of audit recommendations
 - Work with third parties including:
 - Completed two Town Council audits
 - External Auditor's Subsidy testing
 - Dorset Audit Partnership
 - New Forest National Park audits

4. PROGRESS ON HIGH PRIORITY RECOMMENDATIONS

- 4.1. Progress on the implementation of high priority recommendations is monitored and any uncompleted recommendations are reported to Audit Committee. Currently the following high priority recommendations are outstanding;
- Payment Card Industry Data Security Standards (PCI DSS) compliance
Action: Agresso have recently released an upgrade for Income Manager which will comply with the requirements of PCI DSS. A report was brought to EMT in November 2016 from the ICT Service Manager confirming that an upgrade plan and details of all associated costs will be in place by the end of May 2017. The latest position is that the upgrade will take place in February/March next year and at this point in time the costs are unknown. New guidance documents on scoping and segmentation specifically

around voice-over-IP installations (telephone systems) are due to be released mid-2017 and it could result in significant changes to compliance requirements. It has been decided to wait until the new guidance is issued before any further action with regard to telephone payments is taken. As at the end of May 2017 the new guidance has not been released.

- **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

Action: The Service Manager for Business Improvement and Customer Services became responsible for this area in December and following training these points will be addressed. An audit of Business Continuity will take place during 2017/18.

5. FINANCIAL IMPLICATIONS & CRIME AND DISORDER IMPLICATIONS

- 5.1. There are no direct 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 error and fraud.

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:

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Background Papers:

Internal Audit Plan 2017/18