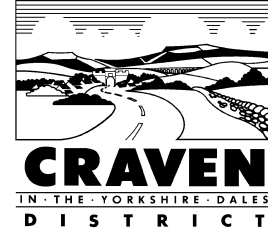


## **Audit and Governance Committee 24 September 2013**



### **Internal Audit Plan 2013/14 : Quarter 1 Monitoring Report**

**Report of the Audit Manager – Shared Internal Audit Service**

**Wards Affected – All**

#### **1.0 PURPOSE OF REPORT**

1.1 To inform Committee Members about the work undertaken by Internal Audit during April-June 2013.

#### **2.0 RECOMMENDATION**

2.1 Members are recommended to note the contents of the report and the attached Appendix.

#### **3.0 BACKGROUND**

3.1 At its meeting on 24 June 2013, the Audit and Governance Committee approved the Internal Audit Plan for 2013/14. The attached Appendix sets out the days allocated to the various audits and the days spent during the period April-June 2013. It also includes a commentary on the progress made.

3.2 Particular points to note are:-

- the majority of time spent in Quarter 1 was on the Annual Audits. Most of this time (58 days out of 61) was on completing the audits from 2012/13 on the major financial systems. As explained previously, the audit of these systems is generally timetabled for Quarter 4 which means that there will be a carry over into the following financial year. As can be seen from the Appendix the relevant audit reports were submitted to the Audit and Governance Committee at its last meeting in June 2013.
- the remaining balance of time on the “Annual Audits” is for work on the 2013/14 audits programmed to start later in the year.
- on the Risk-Assessed Systems, work on a number of these has progressed since the end of June. The reports for the BVS Service Charge and Craven Pool are separate items on the agenda.
- the original intention for the Trade Waste audit was for an operational review to include the associated financial controls – in particular to

ensure that debtor accounts for the correct amount are sent to all those who use the service and that effective debt recovery action is in place. At the request of senior management, this has now been extended to consider the more strategic issue of whether there are any opportunities to increase income from the service.

- on IS the 6 days spent in Q1 were on completing two audits started in 2012/13 – the IS Service Desk and on Data Handling (Members). These reports are attached as separate items on the agenda.
- following discussions between Internal Audit and the ICT Shared Services Manager, it has been agreed that the 2013/14 IS audits will include a review of Data Protection arrangements and on compliance with the Payment Card Industry Data Protection Standards. (These are standards for example on the arrangements to secure and protect the debit/credit card numbers of individuals who pay for Council services by these means).

#### **4.0 IMPLICATIONS**

4.1 Financial and value for money – none.

4.2 Legal – none.

4.3 Contribution to Council Priorities – Council transformation.

4.4 Risk Management – the internal audit function is an integral part of internal control.

4.5 Equality/Impact Assessment – not applicable.

#### **5.0 CONSULTATION WITH OTHERS**

5.1 Corporate Head (Financial Management and S151 Officer).

#### **6.0 ACCESS TO INFORMATION BACKGROUND DOCUMENTS**

6.1 None.

#### **7.0 AUTHOR OF THE REPORT**

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**Note:** Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

**8.0 APPENDICES**

- 8.1 Appendix - Internal Audit Plan 2013/14  
Monitoring Statement for April to June 2013

**CRAVEN DISTRICT COUNCIL  
INTERNAL AUDIT 2013/14**

<u>Annual Audits (includes completing 2012/13 audits and 2013/14 audits)</u>	<u>Approved Plan (days)</u>	<u>Actual April-June (days)</u>	<u>Comments</u>
Benefits	35	20	2012/13 Audit. Reported to Audit and Governance in June 2013. "Significant" Level of Assurance.
Procurements/Contracts	10	3	Time spent on planning 2013/14 audit. Fieldwork to start in September when "term-time worker" returns.
Treasury Management	8	-	Audit to cover 2012/13 and 2013/14 transactions. To start during the Autumn.
Council Tax/NDR	25	19	2012/13 Audit. Reported to Audit and Governance in June 2013. "Good" level of assurance.
Payroll	17	17	2012/13 Audit. Reported to Audit and Governance in June 2012. Two reports – "Good" (Finance), "Partial" (HR).
Debtors	15	2	2012/13 Audit. Reported to Audit and Governance in June 2013. "Good" level of assurance.
Creditors	10	-	2012/13 Audit reported in December 2012. Work on 2013/14 to start during Q3.
	<hr/> 120 <hr/>	<hr/> 61 <hr/>	

<u>Risk-Assessed Systems</u>	<u>Approved Plan (days)</u>	<u>Actual April-June (days)</u>	<u>Comments</u>
BVS Service Charge	15	-	Audit now completed. See separate report attached to the agenda.
Members Expenses	5	1	Audit on-going. Fieldwork in progress.
Trade Waste	15	3	Audit on-going. To cover financial controls and consider value for money issues.
Mechanics Workshop	15	4	Audit on-going. Fieldwork complete.
Car Park Permits	10	-	Audit set to start.
Anti-Fraud Arrangements	10	-	Audit yet to start.
Craven Pool	5	4	Carry over from 2012/13. Audit now completed. See separate report attached to the agenda.
	<u>75</u>	<u>12</u>	

	Approved Plan (days)	Actual April-June (days)	Comments
<b><u>IS</u></b>	25	6	Time spent on completing 2012/13 audits. Service Desk and Data Handling (Members). See separate reports attached to the agenda.
<b><u>Contingency</u></b>	11	-	
<b><u>Other Work</u></b>			
Planning/Management	14	6	
Audit Committee Papers	5	2	
	19	8	
<b>TOTAL</b>	<b>250</b>	<b>87</b>	