

Audit and Governance Committee - 12 January 2015

INTERNAL AUDIT PLAN 2014/15 PROGRESS REPORT



REPORT OF THE AUDIT MANAGER – SHARED INTERNAL AUDIT SERVICE

Wards Affected: All

1.0 PURPOSE OF REPORT

1.1 This is to update Committee members about the progress made on the 2014/15 Internal audit plan since the last meeting in November.

2.0 RECOMMENDATION

Members are recommended to:-

2.1 Note the contents of the report and the attached Appendix.

3.0 INTERNAL AUDIT PLAN 2014/15

3.1 The attached Appendix gives the actual time spent on audits from April to November and a revised forecast outturn.

3.2 The key points are:

- At the end of November, a total of 169 days had been spent on Craven audit work i.e 68% of the total provision of 250 days.
- 76 of the 169 days was spent on completing audits brought forward from 2013/14 (see Appendix Notes 1 and 2 for further details). These audits are now completed. The final one was the Mechanics Workshop which is the subject of a separate agenda item.
- On the Annual Audits, the Creditors Spend Review is now finished and there is a separate report on the agenda. The remaining audits are the major financial systems which are programmed for Quarter 4.
- On the “risk based” systems audits, 4 of the 5 audits have now been completed. The reports on Officer Expenses and the Museum/Gallery/TIC were considered at the November meeting. On Information Governance, this work is also now completed. The time was spent reviewing documentation and publications to help establish a framework of standards and protocols. On car parking, the final report is a separate item

on this agenda. The Resource Resilience Review is ongoing.

- On IS, work is now also complete and was the subject of a report to the November meeting. The audit involved a review of outstanding IS recommendations as recorded on the performance management system TEN. This assisted the interim ICT Shared Services Manager to produce an action plan to address outstanding issues.

3.3 The Appendix also includes an updated forecast outturn – assuming that the intention is not to go beyond the total planned provision of 250 days. This is similar to the forecast included in the November progress report except for:-

- Other Audit Work (Planning/Management and Audit Committee). This has been now transferred to Harrogate in the overall interests of the current Shared Service arrangements due to end on 31 March 2015. (Actual time spent from April-November was 20 days)
- Car Parking – increase of 7 days (from 23 to 30) due to additional work required following the quality review process and consultation with management.

4.0 IMPLICATIONS

4.1 Financial and Value for Money Implications.

None.

4.2 **Legal Implications.**

Audit planning needs to comply with the requirements of the Public Sector Internal Audit Standards and the accompanying Application Note for Local Authorities produced by the Chartered Institute of Public Finance and Accountancy. These Standards and Note set out the 'proper internal audit practices' which authorities must now follow to comply with the Accounts and Audit (England) Regulations 2011.

4.3 **Contribution to Council priorities**

The delivery of an Internal Audit Service contributes to Council transformation.

4.4 **Risk Management**

The internal audit function is an integral part of internal control.

4.5 **Equality Impact Assessment**

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1 – Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential

to cause negative impact or discriminate against different groups in the community based on age, disability, gender, race/ethnicity, religion or religious belief (faith), sexual orientation or rural isolation.

5.0 CONSULTATION WITH OTHERS

5.1 Strategic Manager Financial Services (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

Internal Audit Plan 2014/15 Monitoring April-November.

APPENDIX

**INTERNAL AUDIT PLAN 2014/15
MONITORING APRIL-NOVEMBER**

	Actuals Apr-Nov (Days)	Forecast Outturn (Days)	Comments
Annual Audits			
Benefits	--	10	Quarter 4 audit
Procurement/ Creditors Spend Review	11	13	Completed. See separate report on agenda (exempt item)
Treasury Management Council	--	5	Quarter 4 audit.
Council Tax/Business Rates	--	15	Quarter 4 audit.
Payroll	--	9	Quarter 4 audit.
Debtors	--	10	Quarter 4 audit.
Creditors	--	5	Quarter 4 audit. To review implementation of recommendations from the comprehensive 2013/14 audit.
	11	67	

	Actuals Apr-Nov (Days)	Forecast Outturn (Days)	Comments
Risk-Based Systems			
Officers' Expenses	13	13	Completed. Reported to A&G in November "Good" Assurance Level.
Resource Resilience	2	20	Ongoing.
Information Governance	21	21	Completed. Reviewed documentation to establish governance standards.
Car Parking	28	30	Completed. See separate report on agenda (exempt item).
Museum/Gallery TIC	4	4	Completed. Reported to A&G in November "Partial".
	68	88	

	Actuals Apr-Nov (Days)	Forecast Outturn (Days)	Comments
IS			
Strategic Review	13	14	Completed. Reviewed outstanding recommendations as recorded on TEN. Reported to A&G in November
Contingency etc			
Audits b/fwd from 2013/14	64	68	See note 1
Contingency	13	13	See note 2
	77	81	
Total	169	250	

Notes:

1. Audits brought forward from 2013/14

A breakdown of the figures is:-

	Actuals Apr-Nov (Days)	Forecast Outturn (Days)	Comments
Treasury Management	2	2	Reported to A&G Committee in June. "Partial" assurance level.
Debtors	4	4	Reported to A&G in June. "Good".
Mechanics Workshop	5	9	Completed. See separate report on agenda (exempt item).
Benefits	4	4	Reported to A&G in June "Significant".
Council Tax/Business Rates	15	15	Reported to A&G in June. "Good".
Payroll	6	6	Reported to A&G in June. "Significant"
Creditors	28	28	Reported to A&G in September. "Good"
	64	68	

2. Contingency

A breakdown of the figures is:-

	Actuals Apr-Nov (Days)	Forecast Outturn (Days)	Comments
Completing IS audits b/fwd from 2013/14			
PCI Data Standards	5	5	Reported to A&G in September. "Partial"
Data Protection	7	7	Reported to A&G in September. "Partial"
Other	1	1	
	13	13	