

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

CORPORATE GOVERNANCE COMMITTEE

21 MARCH 2014

INTERNAL AUDIT PROGRESS REPORT FOR 2013 / 2014

RECOMMENDATION:

That Corporate Governance Committee note progress in delivery of the Internal Audit service to the Council.

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PROGRESS REPORT

1. Introduction
2. Progress Against Agreed Audit Plan

1. INTRODUCTION

- 1.1 The purpose of this report is to bring the Corporate Governance Committee up to date with progress made against the delivery of the 2013 / 2014 Internal Audit Plan. This report aims to:
 - Provide a high level of assurance, or otherwise, on internal controls operated across the Council that have been subject to audit;
 - Advise the Committee of significant issues where controls need to improve to effectively manage risks;
 - Advise of any planned changes to reviews, slippage or deletions to that originally agreed on 19 March 2013; and
 - Track progress on the delivery of agreed actions which will be reported as part of the annual reporting process.
- 1.2 The information included in this progress report will feed into, and inform our overall opinion in the Annual Head of Internal Audit Report issued at the year-end. This opinion will in turn be used to inform the Annual Governance Statement (AGS) included in the Statement of Accounts and signed by the Chief Executive and Leader of the Council. The report is for the Committee to consider under its Terms of Reference:
 - To monitor the activities of the Internal Audit service provider and measure performance against the plan; and
 - To consider a quarterly report detailing audit coverage and the extent to which any major problems were highlighted.

2. PROGRESS AGAINST AGREED AUDIT PLAN

- 2.1 A number of the activities set out within the agreed Audit Plan are to support the works of External Audit as part of the delivery of a managed audit to avoid the risk of duplication of audit work; and improve the effectiveness, efficiency and economy of both audit teams. The scope for a number of new audit areas have been agreed with senior management and a series of audits have commenced, findings and conclusions of which will be reported at the next meeting. The following analysis details progress up to, and including mid February 2014.
- 2.2 In addition to providing assurance on the current controls, while we have been able to confirm that the majority of systems comply with expected controls, we have also identified a number of areas where efficiencies could be made to the system. We have incorporated these into our reports for management consideration.

2.3 **Carried Forward from 2012 / 2013**

ASSURANCE LEVELS / AGREED ACTIONS (CARRIED FORWARD FROM 2012 / 2013)							
ACTIVITY	JOB TYPE	REP.NO.	STATUS	ASSURANCE	ACTIONS AGREED		
					HIGH	MEDIUM	LOW
Follow Up Arrangements	Follow Up	25	Final	Not applicable	1	7	3
Top Up Testing	Financial Controls	27	Final	Full	0	0	2

2.3.1 Follow up arrangements related to audit reviews undertaken in previous years and covered:

- HR – Absence Management (including Redundancies);
- Housing Maintenance: Planned and Cyclical (including Voids);
- Information Governance;
- Contract Services; and
- Environmental Health (License Fees).

2.3.2 Top up testing provides assurance that the controls in place in the Councils main systems are robust. No concerns were identified.

2.4 **Audit Plan 2013 / 2014**

ASSURANCE LEVELS / AGREED ACTIONS							
ACTIVITY	JOB TYPE	REP.NO.	STATUS	ASSURANCE	ACTIONS AGREED		
					HIGH	MEDIUM	LOW
Welfare Reform Project	Assurance work	In progress					
Business Planning	Assurance work	2	Final	Significant	0	3	0

ASSURANCE LEVELS / AGREED ACTIONS							
ACTIVITY	JOB TYPE	REP.NO.	STATUS	ASSURANCE	ACTIONS AGREED		
					HIGH	MEDIUM	LOW
Corporate Governance (Corporate Complaints)	Compliance	7	Final	Significant	0	2	2
Risk Management	Compliance	10	Final	Significant	0	1	1
Annual Governance Statement	Compliance	Audit deleted following agreement with Executive Director. There were no actions identified within the previous Annual Governance Statement to follow up.					

Income / Debtors	Financial Control	11	Draft issued. Awaiting agreement with management.				
Budgetary Control	Financial Control	Audit brief agreed					
General Ledger	Financial Control	Audit brief agreed					
Creditors	Financial Control	13	Draft issued. Awaiting agreement with management.				
Cash / Bank / Treasury	Financial Control	12	Final	Full	0	0	0
Payroll / Expenses	Financial Control	9	Final	Significant	0	1	4
Capital	Financial Control	Not started					
Procurement	Financial Control	This audit has been incorporated into Creditors above					
NNDR	Financial Control	In progress					
Council Tax	Financial Control	In progress					

ASSURANCE LEVELS / AGREED ACTIONS							
ACTIVITY	JOB TYPE	REP.NO.	STATUS	ASSURANCE	ACTIONS AGREED		
					HIGH	MEDIUM	LOW

Housing Benefits	Financial Control	In progress					
Housing Rents	Financial Control	8	Final	Significant	0	1	1
Top Up	Financial Control	In progress					
Reconciliations	Financial Control	Has been combined into each of the financial systems reviews above rather than revisited each system again.					

Safeguarding	Other	3	Final	Significant	0	4	3
Health and Safety	Other	Brief produced					
Performance Management	Other	Brief produced					
Environmental Health: Waste	Advisory Work	4	Final	n/a	-	-	-
Housing Repairs	Other	In progress					
Housing Allocations / Voids	Other	Fieldwork completed					
Customer Contact Centre	Other	1	Final	Green	0	0	2
ICT (Change Control)	Other	5	Final	Significant	0	2	1
Proactive Fraud Work (Suppliers)	Other	6	Final	Not applicable	0	3	0