

Meeting Date	10 December 2014
Report Title	Internal Audit Interim Report 2014/15
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance
SMT Lead	Mark Radford – Director of Corporate Services
Head of Service	Rich Clarke – Head of Audit Partnership
Lead Officer	Russell Heppleston – Audit Manager
Key Decision	No
Classification	Open
Recommendations	<ol style="list-style-type: none">1. That the Audit Committee notes the results of the work of the Internal Audit team for the first half year, as shown in the attached report.2. That the Audit Committee notes the revised operational audit plan for the remaining year, as outlined in the attached report.

1 Purpose of Report and Executive Summary

- 1.1 The report provides an update to the Committee on work conducted by the Internal Audit service for the first half of the year. In addition, the report provides updates on work conducted by the team, and highlights the impact of our work through assessment of management's work in implementing agreed audit recommendations.

2 Background

- 2.1 Internal Audit is a statutory service under the Accounts & Audit Regulations 2011. The principle objective of Internal Audit is to examine and evaluate the adequacy of the Council's systems of internal controls, risk management and corporate governance.
- 2.2 As those charged with overseeing Governance, the Terms of Reference for the Audit Committee require it to 'review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary'. In order for the Committee to fulfil its duties regular updates are provided to the Committee on the performance and effectiveness of the Internal Audit Service.

3 Proposal

- 3.1 The attached report provides details of the work of Internal Audit for the first half of the year. The Committee is asked to note the performance of the Internal Audit Service as set out in the attached report, which includes updates on internal control, corporate governance and risk management.
- 3.2 Appended to the report is the revised audit plan for the remainder of the year.

4 Alternative Options

- 4.1 The role of the Audit Committee includes the consideration of risk, controls and governance across the whole Council, in accordance with its Terms of Reference. Therefore, the Committee needs to have an awareness of the work conducted by Internal Audit, in order to adequately fulfil its duties. We recommend no alternative course of action.

5 Consultation Undertaken or Proposed

- 5.1 We have consulted with officers throughout the delivery of our audit work for the first half year.

6 Implications

Issue	Implications
Corporate Plan	The role of Internal Audit is to help the Council accomplish its objectives. All audit work considers the adequacy of controls and risks associated with the delivery of the Council's strategic and operational objectives.
Financial, Resource and Property	None identified at this stage.
Legal and Statutory	Internal Audit is a statutory function in accordance with the Accounts & Audit Regulations 2011.
Crime and Disorder	None identified at this stage.
Sustainability	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	There are no Health and Safety implications identified at this stage.
Equality and Diversity	None identified at this stage.

7 Appendices

7.1 Appendix A: Interim Internal Audit Report (April – September 2014)

8 Background Papers

8.1 None.

MID KENT AUDIT

**Interim
Internal Audit
Report**

April 2014 – September 2014

Swale



Introduction

1. Internal audit is an independent and objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes¹.
2. Statutory authority for Internal Audit is within the Accounts and Audit Regulations 2011 that require the Council to undertake an adequate and effective internal audit of its accounting records and its systems of internal control in accordance with the 'proper practices'. From 1 April 2013 the 'proper practices' are the Public Sector Internal Audit Standards (PSIAS) that replaced the Code of Practice for Internal Audit in Local Government in the UK.
3. As required by these standards the Head of Audit Partnership must provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of control, governance and risk. The opinion takes into consideration:
 - a) Internal Controls: Including financial and non-financial controls.
 - b) Corporate governance: Including effectiveness of measures to counter fraud and corruption.
 - c) Risk Management: Principally, the effectiveness of the Council's risk management framework.
4. This report provides an update to the Committee across all three areas covered in the opinion and the performance of the Internal Audit service for the first half of the year. In addition, the report provides updates on work conducted by the team, and highlights the impact of our work through assessment of management's work in implementing agreed audit recommendations.

¹ This is the definition of internal audit included within the Public Sector Internal Audit Standards

Internal Control

5. The system of internal control is a process for assuring achievement of the Council's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. It incorporates both financial and non-financial systems.
6. We obtain audit evidence to support the Head of Audit opinion on internal control principally through completing the reviews set out within our agreed audit plan, approved by this Committee in March 2014.

Audit Plan Progress

7. The table below highlights progress against the audit plan by quarter for the first half of the year 2014/15. Since the plan was agreed in March 2014 there have been a number of revisions to the scheduling of audit projects over each quarter. The table below provides a summarised update of progress against the audit plan. (The audit plan is attached in Appendix II):

Half Year 2014/15		Audit Plan*		Status		
Authority	Quarter work planned to begin	Planned Audits	Revised	Completed	Work in Progress	Not Started
Swale	Q1	4	4	3	1	0
Swale	Q2	8	5	0	5	0
Swale	Q3	7	8	0	2	6
Swale	Q4	5	6	0	0	6
Total Assurance Projects		24	23	3	8	12

* See Appendix II

8. At the half yearly position the team have completed 4 audit projects; of which 3 include a full assessment and assurance rating. We have 8 projects in progress that we expect to complete by the end of the quarter. The remaining projects (12) fall due towards the end of the year and will be scheduled as appropriate.
9. We have also completed a major investigation during the first part of 2014/15, as noted in the section below on Corporate Governance.
10. Our audit plan must remain a flexible, reactive document capable of adaptation to the changing risks the Council faces as its needs and priorities develop. This year is no exception, and as a result there have been a small number of changes agreed with officers to the audit plan as presented to this Committee in March 2014. We detail these changes within Appendix II.

Audit Review Findings to Date

11. In the first half of the year we completed 3 projects that included an assessment and assurance rating. An extract from each report, supporting the conclusion of the audit, is included below. We are pleased to report that officers have accepted our audit findings, and have set target dates for implementing the recommendations. We will follow up that implementation as the recommendations fall due over the coming months.

No.	Head of Service	Title	Assurance Rating
1	Head of Service Delivery	Business Rates Retention Scheme (Risk)	SOUND
2	Director of Corporate Services	Members' Allowances Scheme	SOUND
3	Head of Housing	Housing Allocation Policy	SOUND

Business Rates Retention (Risk)

12. We conclude based on our audit work that there are **SOUND** controls in place for the management of the risks and opportunities associated with the Business Rates Retention Scheme. We provide the definitions of our assurance ratings at appendix I.
13. The Council has a good understanding of the risks associated with the scheme. Mitigating actions are in place to manage the risks in accordance with the Council's current processes. The Council's budget setting has sufficiently considered the scheme's impact and regularly monitors outturn. However, communication between officers needs to be more robust to support monitoring of business rate fluctuations and changes to businesses within the Borough. The effect of appeal levels on the budget are understood and monitored. The Council has implemented opportunities to increase income. Service resilience with regard to understanding technical information from Academy needs to be further developed.

Members' Allowances Scheme

14. We conclude based on our audit work that the Council has **SOUND** controls in place over the management and administration of the Members' Allowances Scheme. We provide the definitions of our assurance ratings at appendix I.
15. The Council's Members' Allowances Scheme fully complies with Regulations. Allowances and expenses paid to Members are paid in accordance with the Scheme and the Council's Financial Regulations. We identified some minor matters for the Council to address including enhancements to its publication of the Remuneration Panel's decisions and changes to improve compliance and efficiency in administration and processing of payments.

Housing Allocations Policy

16. We conclude based on our audit work that the service has **SOUND** controls in place for the successful management of the housing register in compliance with the Council's Housing Allocations Policy. We provide the definitions of our assurance ratings at appendix I.
17. The Council managed implementation of the new Housing Allocations Policy effectively giving careful thought to the impact of changes in housing need criteria to existing applicants. The service continues to operate in line with the Policy and our testing confirms allocation ensures the Council houses those in most need. We identified some minor improvements required around identifying evidence to confirm eligibility and processing refusals.

Follow-up of Internal Audit Recommendations

18. In July 2014 the Audit Committee were asked to agree a revised process for the follow up of audit recommendations. Work has been on-going throughout the first half of the year to systematically follow-up on all audit recommendations that fell due by the 30 September 2014. The table below sets out our findings from that review:

Project	Agreed Actions	Actions Falling Due by 30/09/14	Actions Completed	Outstanding Actions past due date	Actions Not Yet Due
Business Rate Retention Scheme	2	2	2	0	0
Car Park Income & Season Tickets	3	1	1	0	2
Residents Parking	4	1	1	0	3
Leisure Centre	10	6	6	0	4
Sustainable Sheppey	12	11	11	0	1
Accounts Receivable	1	1	1	0	0
Emergency Planning	6	4	4	0	2
Member's Allowances	1	1	1	0	0
Mid Kent Legal Services	6	6	6	0	0
Mid Kent ICT - PC Internet Controls	18	2	2	0	16
Mid Kent HR - Recruitment	8	6	6	0	2
TOTAL	71	41	41	0	30
			100%		

Summary of Findings

19. Of the eleven audit projects that have been followed-up one – the Sustainable Sheppey Project – received an adverse assurance rating of **limited**. The service has worked hard to address the issues raised in the audit, and to implement all of the recommendations falling due by the 30 September 2014. We have re-tested the controls as part of the follow up and conclude that the controls now provide a **substantial** level of assurance. As this review was conducted using the 2013/14 assurance ratings, we have for continuity, re-assessed the level of assurance as per the previous levels.
20. The Council has successfully implemented all high priority recommendations which were due before 30 September 2014.
21. This is a highly creditable achievement and demonstrates audit and services working closely together to help improve the way the Council conducts its business.
22. We will follow up actions due after 30 September, including those arising as we complete our 2014/15 audit plan, later in the year. We will provide a final position to Members as part of our Annual Review in June 2015.

Corporate Governance

23. Corporate governance is the system of rules, practices and processes by which the Council is directed and controlled.
24. We obtain audit evidence to support the Head of Audit Opinion through completion of relevant reviews in the audit plan, as well as specific roles on key project and management groups. We also consider matters brought to our attention by Members or officers through whistleblowing and the Council's counter fraud and corruption arrangements.
25. We also prepared a response alongside partners on behalf of the four authorities to the CLG consultation on secondary legislation following on from the Local Audit and Accountability Act 2014. The consultation covered areas such as:
 - Applying the legislation to smaller authorities (such as parishes),
 - Arrangements for allowing collective procurement including the rules around using a 'specified person' to arrange and monitor audit provision,
 - Timetable for accounts publication including bringing the publication date forward from 30 September to 31 July, Rights of access for local authority electors, including harmonising a single inspection window and
 - Transparency Code for smaller bodies.
26. Our response to the consultation made the following main points:
 - Any change to the date of the sign off accounts must balance the benefits against the costs. In a continuing time of financial restraint in the public sector, it is timely to consider the complexity of accounts while proposing earlier closedown. Reduced timescales are difficult but achievable, however will require assistance from CIPFA to stem and turn back the growth of local authority financial statements.
 - The Regulations will need to ensure authorities are sufficiently informed to take the irrevocable opt-in/out decision [to allow a specified individual to select an auditor and audit fee on its behalf], including setting out clearly how a specified person will manage and control its costs.
 - We feel there is no pressing need to alter current public inspection arrangements, save the moves to online advertisement and streamlining to remove auditor involvement.
 - The present publication of expenditure by local authorities is working well and enforcing through regulation will risk disrupting an effective process.
 - We welcome general moves towards increasing 'online default' in information publishing.

27. Government response to the consultation was expected in October 2014 but, at the time of compiling this report, has not been published. We will continue to update the Committee on developments in local government audit.
28. We were also commissioned by the three MKIP Chief Executives (Maidstone, Tunbridge Wells and Swale) to complete a project review examining implementation of the Planning Support shared service. This review will be reported separately to the MKIP Board on 10 December with a summary report to Overview & Scrutiny Task & Finish Group on 8 December.

Counter Fraud & Corruption

29. We consider fraud and corruption risks in all of our regular audit projects as well as undertaking distinct activities to assess and support the Council's arrangements.

Investigations

30. During the first half of 2014/15 we have been involved in one large scale investigation. We provide a separate report to the Committee outlining our conclusions from that investigation in the restricted papers of this meeting. In addition to this, we have conducted 2 smaller scale investigations:

Smaller Scale Investigation 1

31. We supported an investigation into a complaint making allegations against officers use of personal client data. We examined the service area and conducted interviews with staff to seek evidence of whether the allegation could be substantiated.
32. We concluded that the allegation could not be substantiated and reported that conclusion to the complainant who provided no additional evidence. Nevertheless, the service took the opportunity to remind all officers on the importance of data security, personal and professional declarations, and safeguarding customer information.

Smaller Scale Investigation 2

33. In August we were asked to investigate a report from the Department for Work and Pensions identifying a suspected security breach. According to the report an employee had used the secure DWP Customer Information System to access records relating to a family member. This is a breach of the confidentiality agreement between the Council, the Employee and the DWP which allows the Council to access DWP data.
34. We investigated the suspected breach and confirmed the DWP's report. We did not identify any other breaches and concluded that the breach was an isolated incident. While our work was underway the Council took action to address weaknesses within its internal processes and reminded officers of the need to keep full records support their access to personal data held by the DWP.

Whistleblowing

35. The Council's whistleblowing policy nominates internal audit as one route through which Members and officers can safely raise concerns on inappropriate or even criminal behaviour.
36. We received one disclosure in the first half of the year which formed the basis of our large scale investigation referenced above.

Investigation Liaison Protocol

37. In July we established a joint protocol with colleagues in Human Resources setting out roles and responsibilities in the event of matters arising that might require joint or parallel investigations. The purpose of the protocol is to ensure that in the event of an investigation we work seamlessly to ensure that the right outcomes are achieved for the Council. We have seen the benefits of the protocol already in assisting the Council in pursuit of efficient and effective investigations.

Fraud Risk Review

38. We have conducted an assessment at one of the partner Authorities against the CIPFA Counter Fraud Code published in October 2014 (though available in draft since July). While the outcomes of the assessment are not directly comparable to Swale, the assessment framework has enabled us to gain a much clearer understanding of what is expected by the Code.
39. The Council must make a compliance declaration against the Code in its 2014/15 Annual Governance Statement. We will be working with the Council for the remainder of the year to examine its Counter Fraud arrangements and, where necessary, strengthen the position to achieve adherence with the Code.

National Fraud Initiative

40. We have continued as co-ordinator of the Council's response to the National Fraud Initiative (NFI). NFI is a statutory data matching exercise, and we are required by law to submit various forms of data, securely, to the Audit Commission. Members may wish to note that the NFI regime will survive the end of the Audit Commission in March 2015 as it will become part of the Cabinet Office's responsibilities.
41. The 2014/15 NFI exercise includes the following services:
 - Creditors
 - Payroll
 - Housing Benefits
 - Licensing
 - Parking
 - Insurance

42. The Audit Commission will release matches in January 2015 for investigation. We will report any outcomes in the annual audit report to the Audit Committee later in the year.

Audit Commission Fraud Survey 2014

43. We coordinate and complete the survey and submit the information to the Audit Commission in May each year. There were no issues of concern reported. The results of the survey form part of the Audit Commission's annual publication "Protecting the Public Purse".

Attempted Frauds

44. So far this year we have also helped to investigate a number of attempted frauds across the partner sites. Following on from these investigations, we have provided guidance and support across the partnership sites to raise awareness and help prepare officers on how to identify and respond so these threats should they occur.

45. Recent attempts include:

- A fraudulent e-mail purporting to be from the Chief Executive was sent to the Finance department requesting a payment be made. The Council's robust financial procedures meant that the request went no further, and through the diligence of officers was highlighted immediately. The IT department traced the original email address and a notification was sent to officers to remain diligent.
- Phoney requests to change bank details of suppliers – Councils have received a number of phoney requests to change supplier bank details. These are an increasingly common means of attempting fraud; seeking to misdirect a council in routing a payment to the fraudster's account rather than to the genuine supplier. The controls in place over the changing supplier bank details are strong, and officers independently verify any requests to change standing data. An all staff message was sent out across the Council to reinforce the needs for strong financial controls, and to thank the officers for identifying and dealing with the attempted fraud so quickly and effectively.

Risk Management

46. Risk management is the process of identifying, quantifying and managing the risks that the Council faces in attempting to achieve its objectives.
47. We obtain audit evidence to support the Head of Audit Opinion through completion of our audit plan plus continuing monitoring of and contribution to the Council's risk management processes.
48. The Council's Strategic Risk Register was adopted by Cabinet on 29 May 2014, after review by the Audit Committee in March 2014. The strategic risk register outlines five risks:
 - Risk Scenario 1 - Impact of welfare reform and wider economic pressures
 - Risk Scenario 2 - Regeneration and place shaping
 - Risk Scenario 3 - Achieving a balanced budget across the medium term financial plan period 2014/15 – 2016/17
 - Risk Scenario 4 - Transforming to meet the financial environment
 - Risk Scenario 5 - Safeguarding People
49. Each risk has been allocated a risk owner and they will be creating action plans during 2014/15 to detail the controls that the Council has in place to effectively manage each risk to an acceptable level.
50. The Council plans to revisit and update its strategic risks in 2015/16, to align to any changes in corporate priorities.
51. More widely we are currently working with the Council to help improve the overall process and clarify the role of the audit service in assisting the Council's risk management. As part of this work, we will work with members and officers to develop a new risk management policy and strategy that will better guide the Council prior to reviewing and refreshing its strategic risks as well as providing clearer management for key operational risks. We will update the Committee as this work progresses.

Mid Kent Audit Service Update

52. During September we agreed a refreshed collaboration agreement between the four Mid Kent Audit authority partners (Maidstone, Swale, Ashford and Tunbridge Wells). All four partners have re-affirmed their commitment to the partnership, and secured the arrangements for the next four and half years. The review and refresh of the collaboration agreement enabled the following improvements:
- Transfer of officers to one single employee (Maidstone).
 - Creation of a single shared budget – bringing with it greater opportunity for investment in training and development.
 - Re-affirming the role Internal Audit has with regards to counter fraud and risk management.
 - A commitment to data sharing between the Councils; allowing us to more clearly highlight and report learning and good practice.
53. In June we advertised a secondment opportunity across all 4 authorities, and were able to successfully appoint into the role an officer from the Maidstone Finance team. This was the first time that such an opportunity had been offered, and has been a great experience for us. The service has benefited greatly by having an experienced professional from within the Council, and the individual has been able to develop internal audit skills and insight that would not have otherwise been possible.
54. Looking forward, we aim to continue to grow the service by reinstating the career grade position dormant for more than five years. This will allow us to develop an individual within the team through to a professional qualification.
55. Three members of the team are currently studying towards professional internal audit qualifications with the Institute of Internal Auditors. We are pleased to report a 100% success rate within the team on IIA exams in 2014/15 and hope to build on that during 2015/16, looking to end that year with more than half the team holding a professional qualification. Also we have a member of the team studying towards the Certificate in International Risk Management that will give us more specialised knowledge and expertise in the field of risk management.
56. The successful completion of professional studies for the team will mean that Mid Kent Audit will hold qualifications in the following areas:
- Internal Audit
 - Finance
 - Counter fraud and investigation
 - Risk Management
57. Both the Head of the Partnership and Swale Audit Manager are grateful for the continuing efforts of the audit team who have worked extremely hard over the last six months during a period of significant change and transition. The achievements and improvements in

service standards would not have been possible without their continued commitment, determination and highest levels of professionalism.

Performance

58. Aside from the progress against our audit plan we also report against a number of specific performance measures designed to monitor the quality of service we deliver to partner authorities. The Audit Board (with Mark Radford as Swale's representative) considers these measures at each of its quarterly meetings, and they are also consolidated into reports submitted to the MKIP Board (including the Council's Chief Executive and Leader).
59. Below is an extract of the most recent such performance report. We have withheld only one measure from publication – cost per audit day – as it is potentially commercially sensitive in the event of the Partnership seeking to sell its services to the market. We would be happy, however, to discuss with Members separately on request.
60. Note that all figures are for performance across the Partnership. Given how closely we work together as one team, as well as the fact we examine services shared across authorities, it is not practical to present authority by authority data.

Measure	Outturn	Target & Commentary
Customer satisfaction overall	100%	Based on customer satisfaction survey circulated with each completed audit project.
Customer satisfaction with audit conduct	100%	Based on customer satisfaction survey.
Customer satisfaction with auditor skills	100%	Based on customer satisfaction survey
Chargeable days	72%	Based on the proportion of available days spend on productive work rather than administration, training and so on. General target in local government audit is 70%.
Audits completed on time	36%	Proportion of individual reviews completed according to timescales agreed at the outset of the audit. This is a new practice introduced in 2014/15 and forecasts have not taken adequate account of barriers such as staff availability, but we are developing more flexible approaches in response.
Audits completed on budget	41%	Proportion of individual audit reviews completed within an agreed days budget as set out in the audit plan. This has been impacted by a move to comprehensive time recording which means manager time features in the outturn but not in the budget, but still represents an improvement on the equivalent 2013/14 figure (18%).
Draft report timeliness	12 days (median)	Our target is to provide a draft report within 10 working days of completing fieldwork. This is a new target and drafts are a new addition to the reporting process which is still becoming established.
Final report timeliness	5 days (median)	Our target is to provide a final report within 5 working days of the closing meeting to agree recommendations.
Conformance to Public Sector Internal Audit Standards	50/56	As per report to Members in March 2014. We will be re-assessed by the Institute of Internal Auditors in early 2015 but are currently on track to achieve their recommendations before the end of 2014.
Recommendations implemented on time	100%	As reported elsewhere in this update.

Acknowledgements

61. We would also like to thank Managers, Officers and Members for their continued support, assistance and co-operation as we complete our audit work during the year.

Appendix I: Assurance & Priority level definitions

Assurance Ratings 2014/15

<p>Strong – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any; recommendations and those will generally be priority 4.</p>	<p>Sound – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.</p>	Effective Service
<p>Weak – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.</p>	<p>Poor – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.</p>	Ineffective Service

Recommendation Ratings 2014/15

Priority 1 (Critical) – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

Priority 2 (High) – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council's aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

Priority 3 (Medium) – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

Priority 4 (Low) – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

Advisory – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.

Appendix II:

Audit Plan Progress 2014/15

No.	Q	Audit Project	Not Yet Started	Brief Agreed	Fieldwork Commenced	Draft Report	Final Report	Assurance Rating
		Audit Assurance Projects						
1	Q1	Business Rates Retention Scheme (Risk)		u	u	u	u	SOUND
2	Q1	Members' Allowances Scheme		u	u	u	u	SOUND
3	Q1	Housing Allocations Policy		u	u	u	u	SOUND
4	Q1	Management of Misc. Cash		u	u			
5	Q2	Council Tax (Systems Audit)		u	u			
6	Q2	Risk Management Framework		u	u			
7	Q2	Housing Benefits		u	u			
8	Q2	Treasury Management		u				
9	Q3	Safeguarding People		u	u			
10	Q3	ICT: Service Desk		u	u			
11	Q3	Commissioning Framework - Implementation	u					
12	Q3	Cashless P&D Implementation	u					
13	Q3	Accounts Payable (Creditors)	u					
14	Q3	Cash Receipting System - Project Assurance	u					
15	Q3	Corporate Governance	u					
16	Q3	Homelessness: Temporary Accommodation	u					
17	Q4	Business Rates (Systems audit)	u					
18	Q4	General Ledger: Budgetary Control	u					
19	Q4	Freedom of Information	u					
20	Q4	Asset Transfer Policy Review	u					
21	Q4	Contract Management: Waste Collection & Street Cleaning	u					
22	Q4	Repair & Renew Grant - Sign-off	u					
		Other Projects						
23	Q2	Licensing Investigation		u	u	u	u	COMPLETE
24	Q2	National Fraud Initiative		u	u			PHASE 1

Changes to the Audit Plan

The Internal Audit plan needs to be flexible and reactive to the changing risks of the Council. As the needs and priorities of the Council change, assurance work is re-directed to ensure that it remains relevant and valuable. The plan is therefore reviewed regularly, and projects are removed, added or deferred accordingly.

Following consultation and agreement with management, we have made the following minor changes to our audit plan.

No.	Head of Service	Title	Outcome	Reason
1	Head of Commissioning & Customer Contact	Street Cleansing	MERGED	This audit will be included within the scope of Waste Collection audit (Q4)
2	Head of Property Services	Commercial Property Investment	REMOVED	The project intended as the focus of audit review has been deferred until 2015/16.
3	Head of Finance	Repair & Renew Grant	ADDED	Internal Audit sign off is a requirement of the grant claim.