

Local Members Interest
N/A

Audit and Standards Committee – 7 December 2015

Internal Audit Plan Update 2015/16

Recommendations

1. To note progress against the 2015/16 Internal Audit Plan and those new audits which have been undertaken since the plan was approved in July 2015.
2. To note progress on the implementation of high level recommendations.

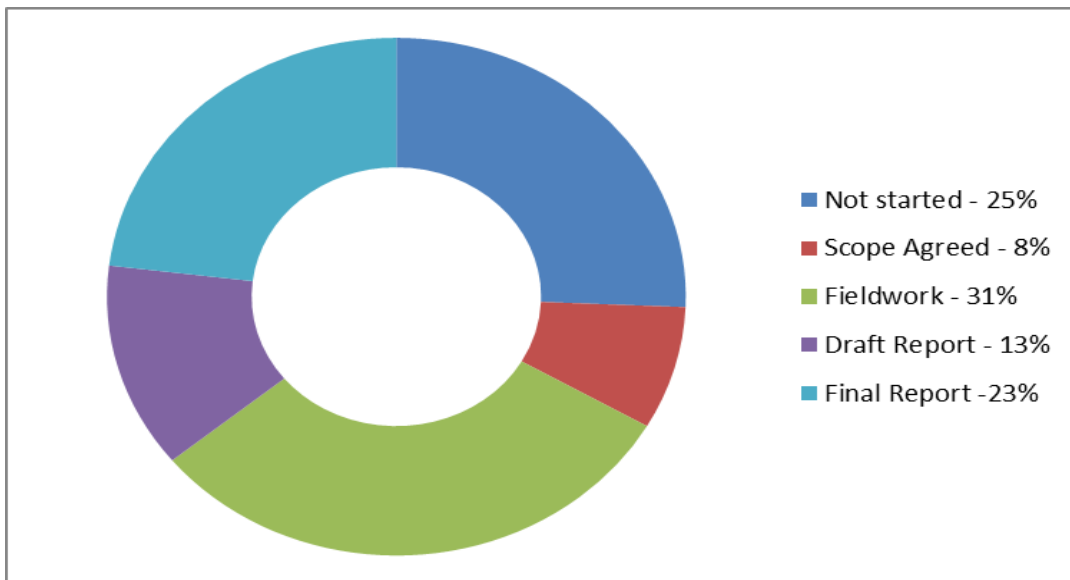
Report of the Director of Finance and Resources

3. Given the changing operating module of the County Council the annual plan approved by the Committee in July 2015 continues to be reviewed to ensure that areas originally included remain relevant and reflect the risk profile of the organisation. Internal Audit is currently undertaking a number of additional audits within new risk areas which have arisen since July; namely additional Care Provider checks, Contract Options – pensions admin system and Core + review. At this stage in the year the section remains on schedule to meet its key performance targets.
4. Overall, delivery against the 2015/16 audit plan is summarised below. Previously the Audit & Standards Committee agreed that only the reports of the high risk reviews (Top 10), limited assurance audits and major special investigations would be considered as part of the agenda, where relevant other reports would be emailed to Members for information.

Area	Plan	Not Started	Terms of Reference Agreed	Fieldwork Ongoing	Draft Report Issued	Final Report Issued	Cancelled	Total
Systems Audits								
Planned Audits	111	27	22	31	6	13	(12)	99
Additional Work	6	1	0	5	0	0	0	6
Total	117	28	22	36	6	13	(12)	105
Compliance Audits								
Schools	42	23	0	0	0	19	0	42
Other compliance – Children's	5	5	0	0	0	0	0	5
Other compliance – Adults	29	0	0	0	0	28	(1)	28
Other compliance – Registrars Offices	4	4	0	0	0	0	0	4
Educational Endowment Funds	5	0	0	0	0	5	0	5

Total Compliance	85	32	0	0	0	52	(1)	84
Pro-active Counter fraud Work	17	11	1	4	1	0	0	17
Special Investigations/ Exercises	4	0	0	0	4	0	0	4
Overall Totals	223	71	23	40	11	65	(13)	210

5. Since the last meeting of the Audit & Standards Committee, two limited assurance opinion reports have been issued to Officers for discussion and agreement. The final reports for these areas will be circulated to Members once they have been concluded.
6. Delivery of the work for the External Clients is important in ensuring that the section meets its income targets for the year. Performance to date is detailed below and each audit plan is on course to be fully delivered by the end of the audit year. The results of these exercises are reported to the individual bodies' Audit Committee.



7. During 2014/15 the Team successfully bid for the contract to deliver the Internal Audit function, including the management of the existing in-house team, for South Staffordshire District Council. This equates to an additional 100 days per annum and is on track to be fully delivered by the end of the financial year. The total value to the section for this work is £32,000.
8. Internal Audit continues to monitor the implementation of all high level recommendations. Previously those recommendations which have not been actioned by the target implementation date together with an explanation of the delay by the appropriate officer have been reported to the Audit & Standards Committee. The number remaining outstanding has reduced significantly over time when compared to previous years, due in part to the involvement of the Audit & Standards Committee. Progress in implementing those outstanding agreed high level recommendations has been monitored and of the 36 high level recommendations

made since the last committee report, 28 have been fully implemented. This year there are a small number of recommendations that have not been fully implemented by their due date. The details are attached as appendix 1 to the report and include a commentary regarding action taken to date by the respective manager. Internal Audit will continue to monitor their implementation and will include the results of this exercise within the annual outturn report.

Equalities Implications

9. There are no direct implications arising from this report.

Legal Implications

10. Whilst there are no direct implications arising from this report, the Accounts and Audit Regulations specifically require that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

Resource and Value for Money Implications

11. The net budget of the Internal Audit Section is estimated at £575,200 of which £64,400 relates to payments to external providers.

Risk Implications

12. Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Where relevant, the results of individual reviews will link into the Annual Governance Statement, providing assurance on the operation of key controls. Internal Audit will continue to align its work with the Corporate Risk Register.

Climate Change implications:

13. There are no direct CO2 implications arising from this report.

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List of Background Papers:

2015/16 Internal Audit Strategy & Plan
2015/16 Internal Audit Charter