

AUDIT COMMITTEE

13 September 2017

Internal Audit Monitoring

Report of Interim Internal Audit and Assurance Manager

PURPOSE OF REPORT

To advise Members of the latest monitoring position regarding the 2017/18 Internal Audit Plan and seek approval for proposed variations to the plan.

This report is public

RECOMMENDATIONS

- (1) That the latest monitoring position is noted.
- (2) That the proposed revisions to the audit plan, as set out in 1.3 are approved.

1.0 Audit Plan monitoring to 15 August 2017

1.1 The 2017/18 Internal Audit Plan was approved by the Audit Committee at its meeting on 28 June 2017. This report is based on the monitoring position up to 15 August 2017 and a monitoring report as at that date is detailed below. A further table at 1.3 shows the minor amendments made to the audit plan since its original approval.

1.2 Summary of monitoring position at 15 August 2017

Category of Audit	Report Status			Comments
	Final Issued	Assurance Level	Fieldwork	
2016/17 Audit Plan work				
HB subsidy claim – overpayments	✓	Substantial		
1% Rent reductions	✓	Substantial		
Equality Act				✓
Financial systems				
Budgetary control				Q3
Income management				Q3
Main Accounting				Q3
Core management				
Procurement				Q4

	Report Status				
Category of Audit	Final Issued	Assurance Level	Fieldwork	Draft Issued	Comments
Core management cont.					
Asset management			✓		
Business planning					Q4
Contract management			✓		
Financial planning and MTFS					Q3
Performance management			✓		
Recovery of legal fees and court costs			✓		
Compliance to scheme of delegation			✓		
Salt Ayre leisure			✓		
Council house voids					Q3
Local plan					Q4
Voluntary faith community sector					Q4
Learning and development			✓		
Green waste collection					Q3
Revenue shared service financial systems					
NNDR – Strategic					See 1.3
Council Tax					
Unified benefit					
Housing benefit					
Other areas of work					
Canal corridor north project					On-going
Annual governance review and statement					Completed
Risk management and assurance framework					On-going
PSIAS review – moderation and preparation for Assessment					On-going
National Fraud initiative exercise 2016/17					On-going
Counter fraud work					On-going

- 1.3 Following approval of the audit plan in June 2017, discussions have taken place with the Revenue Manager and it has been agreed that the revenue shared service financial system audits would be as follows;

	Report Status				
Category of Audit	Final Issued	Assurance Level	Fieldwork	Draft Report	Comments
Revenue Shared Service Financial Systems					
NNDR – Strategic (rate avoidance)			✓		
NNDR – Transactional			✓		
E-Claims					Q3

2.0 Investigations / other activity

- 2.1 Following an internal investigation at the White Lund Nursery by the Organisational Development Manager, Internal Audit were asked to give assurance on the key controls in place around policies and procedures, access and security and cash and banking. Overall, a 'limited' assurance level was given and eight recommendations were made in total. A follow-up review has been scheduled for December 2017 when it is expected that all recommendations will have already been implemented. The final report has been issued to key personnel, however due to the confidential nature of a number of findings; the report will not be published on the intranet.

3.0 Details of Consultation

- 3.1 Management Team continues to be consulted in developing the plan.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 Regarding the Internal Audit Plan minor changes, the options available to the Committee are either to approve the proposed changes or to propose an alternative course of action.

5.0 Conclusion

- 5.1 Minor changes have been made to the 2017/18 audit plan in respect of internal audit work under the revenue shared service arrangement. There have been no changes made to the number of allocated days, which currently stands at 42 days.
- 5.2 The programme of audits for the rest of the year continues to be implemented in consultation with senior management.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Not applicable

FINANCIAL IMPLICATIONS

None directly arising from this report

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments

LEGAL IMPLICATIONS

None directly arising from this report

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Internal Audit Plan 2017/18

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