



Report to Audit Committee

13 January 2015

Title: Internal Audit Plan 2014/15 – Progress Report

Report of: Chief Internal Auditor

Purpose of Report

1. This report outlines progress made by the Internal Audit Service against the audit plan for the financial year 2014/15.

Summary

2. The Audit Plan for 2014/15 was agreed by this Committee on 16 April 2014. Progress against the plan is detailed in Appendix 1. As at 31 December 2014, ten final reports and two draft reports have been issued and three further audits are currently in progress.
3. The Internal Audit Strategy 2013-16 was agreed by the Committee on 16 April 2014 and details our performance management targets. The table below sets out the current position against each target.

Performance Indicator	Actual Position at 31/12/14	Annual Target
Number of audit assignments completed against annual plan	10 (53%)	19 (95%)
Number of audit recommendations implemented *	86%	90%
Audits completed within agreed time	90%	90%
Draft reports agreed and returned within 2 weeks	100%	90%

* Systems relating to the implementation of recommendations are currently being reviewed in order to offer the Committee assurance that recommendations have been implemented by the agreed due date.

Link to values

4. This report links to the following company values: -
 - Being honest, accountable and transparent

- Being motivated, trained and committed.

Risk Management Implications

5. The perceived risk of each audit is based on a thirteen point assessment taking into account such areas as materiality, complexity of the system, potential for fraud and sensitivity. Based on a score derived from the assessment, audits are categorised as high, medium and low priorities. This informs the frequency in which audits will be carried out.

Financial Implications

6. The cost of the internal audit work plan is fully provided for in the 2014/15 budget.

Equality and Diversity Implications

7. There are no Equality and Diversity implications associated with this report.

Value for Money implications

8. The delivery of the 2014/15 audit plan and the implementation of internal audit recommendations will assist in identifying efficiencies and achieving value for money.

Health Implications

9. There are no Health implications associated with this report.

Environmental Implications

10. There are no Environmental implications associated with this report.

Impact on Customers

11. Implementation of the recommendations will provide our customers with a better service in terms of customer care.

Consultation carried out

12. The audit plan was developed following consultation with all relevant stakeholders within the Company.

Recommendation

13. The views of the committee are sought on whether it is satisfied with progress to date with the Internal Audit Plan 2014/15.

Appendix 1

Internal Audit Plan 2014/15	Risk		Planned Hours	Previous Audit Field Work Complete	Planned Report to Committee	Progress at 30 September 2014	Opinion
	Rating	Score					
Fundamental Financial Systems							
1 Budget Setting and Monitoring	250	High	40	December 2013	15 October 2014	Final report issued	Satisfactory
2 Capital Programme	258	High	75	October 2013	15 October 2014	Final report issued	Operating Well
3 Creditors	251	High	70	December 2013	13 January 2015	In progress	
4 Company Payroll	255	High	50	November 2013	13 January 2015	Final report issued	Operating Well
5 Main Accounting	266	High	40	December 2013	13 January 2015	In progress	
6 Insurance Arrangements*	219	High	35	March 2014	April 2015		
7 Rent Arrears	255	High	160	December 2013	April 2015		
8 Rent Collection	233	High	70	January 2014	April 2015		
			540				
Corporate Governance							
9 Risk Management	185	Medium	60	September 2012	15 October 2014	Final report issued	Operating Well
			60				
Other Strategic and Operational Risks							
10 VAT Procedures	157	Medium	30	April 2013	30 June 2014	Final report issued	Operating Well
11 Leaseholder Service Charges	160	Medium	50	September 2012	30 June 2014	Final report issued	Operating Well
12 Human Resources	168	Medium	20	October 2013	30 June 2014	Final report issued	N/A
13 Communications	112	Low	50	September 2011	30 June 2014	Final report issued	Satisfactory
14 Void Management	177	Medium	100	February 2013	15 October 2014	Final report issued	Satisfactory
15 Gas Servicing	198	Medium	40	February 2013	15 October 2014	Draft report issued	
16 Access Management - IT Audit	149	Low	60	n/a **	13 January 2015	In progress	
17 Tenancy Allocation and Lettings	270	High	100	March 2014	April 2015		
18 Housing Establishments	266	High	90	March 2014	April 2015		
19 Repairs	269	High	90	June 2014	April 2015		
20 Corporate IT	239	High	10	March 2014	April 2015		
			640				
Housing Office CCTV (Not in Plan)				N/A	13 January 2015	Final report issued	N/A
Housing Office Investigation (Not in Plan)					April 2015	Draft report issued	
General							
General Advice, Consultancy and Systems Review			40				
Audit Committee			30				
			70				

TOTAL HOURS 1,310

Risk Score Categories:
 High: >210
 Medium: 150-210
 Low: 0 - 149

* Carried out in conjunction with Council audit
 ** Not previously audited in this format