



## Report to Audit Committee

14 October 2015

**Title:** 2015/16 Internal Audit Plan – 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 2015/16.

### Summary

2. The Audit Plan for 2015/16 was agreed by this Committee on 22 April 2015. Progress against the plan is detailed in Appendix 1. As at 30 September 2015, six final reports and one draft report have been issued and three further audits are in progress.
3. The Internal Audit Strategy 2015-18 was agreed by the Committee on 22 April 2015 and details our performance management targets. The table below sets out the current position against each target.

Performance Indicator	Actual Position at 30/9/15	Annual Target
Number of audit assignments completed against annual plan	6 (30%)	20 (95%)
Audits completed within agreed time	100%	90%
Draft reports agreed and returned within 2 weeks	100%	90%
Number of audit recommendations implemented	100%	90%

### Link to values

4. This report links to the company values of being: -
  - Fair
  - Customer Focused
  - Open and Honest
  - Accountable

### **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 2015/16 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 2015/16 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 2015/16 Internal Audit Plan.

Internal Audit Plan 2015/16	Risk		Planned Hours	Planned Report to Committee	Progress at 30 September 2015	Opinion
	Rating	Score				
<b>Fundamental Financial Systems</b>						
Procurement and the Creditors System	251	High	70	Oct-15	Audit moved to quarter 4	
Budget Setting and Monitoring	250	High	50	Oct-15	Final Report Issued	Operating Well
Capital Investment and Asset Management	258	High	90	Jan-16		
Payroll and Human Resources	255	High	80	Jan-16		
Main Accounting	266	High	40	Oct-15	Final Report Issued	Operating Well
Rent Arrears	255	High	150	Apr-16		
Rent Collection	235	High	70	Apr-16	Audit brought forward to quarter 3	
			<b>550</b>			
<b>Corporate Governance</b>						
Business Continuity Arrangements	158	Medium	40	Jul-15	Final Report Issued	Operating Well
Governance	174	Medium	40	Oct-15	Final Report Issued	Operating Well
Performance Framework	157	Medium	50	Jul-15	Final Report Issued	Operating Well
Counter Fraud Arrangements	175	Medium	50	Oct-15	Final Report Issued	Operating Well
			<b>180</b>			
<b>Other Strategic and Operational Risks</b>						
Tenancy Allocation and Lettings	270	High	110	Jan-16	In progress	
Housing Management	266	High	90	Apr-16		
Repairs	269	High	90	Apr-16		
Corporate IT	239	High	10	Apr-16		
Asbestos Management	155	Medium	70	Oct-15	In progress	
Health and Safety	151	Medium	70	Jul-15	Draft report issued	
Gas Servicing	198	Medium	40	Jan-16		
Change Management - IT Audit	149	Low	60	Jan-16	In progress	
Customer Focus	159	Medium	50	Jan-16		
Housing Office Investigation Follow Up	266	High	50	Oct-15	In progress	
			<b>640</b>			
<b>General</b>						
General Advice, Consultancy and Systems Review			40			
Committee Training			15			
Audit Committee			30			
			<b>85</b>			

<b>Total Hours</b>	<b>1,455</b>
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**Risk Score Categories:**

High: &gt;210

Medium: 150-210

Low: 0 - 149