



Report to Audit Committee

26 April 2016

Title: 2015/16 Internal Audit Plan – Year End 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 the Appendix. At year end, 18 final reports and three draft reports have been issued. Of the two outstanding audits, the Corporate IT report has been delayed until the outcome of a number of Council IT audits have been finalised and extended testing is almost complete on the Procurement and Creditor audit.
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 31/3/16	Annual Target
Number of audit assignments completed against annual plan (includes draft reports where field work is complete)	20 (95%)	20 (95%)
Number of audit recommendations due and implemented	97%	90%
Audits completed within agreed time (planned hours)	90%	90%
Draft reports agreed and returned within 2 weeks	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 31/03/2016	Opinion
	Rating	Score				
Fundamental Financial Systems						
Procurement and the Creditors System	251	High	70	Oct-15	In Progress	
Budget Setting and Monitoring	250	High	50	Oct-15	Final Report Issued	Operating Well
Capital Investment and Asset Management	258	High	90	Jan-16	Final Report Issued	Operating Well
Payroll and Human Resources	255	High	80	Jan-16	Final Report Issued	Operating Well
Main Accounting	266	High	40	Oct-15	Final Report Issued	Operating Well
Rent Arrears	255	High	150	Apr-16	Draft Report Issued	
Rent Collection	235	High	70	Jan-16	Final Report Issued	Operating Well
			550			
Corporate Governance						
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
			180			
Other Strategic and Operational Risks						
Tenancy Allocation and Lettings	270	High	110	Jan-16	Final Report Issued	Operating Well
Housing Management	266	High	90	Apr-16	Draft Report Issued	
Safeguarding - Secondary report from Housing Management Audit.	N/A	N/A	N/A	N/A	Draft Report Issued	
Repairs	269	High	90	Apr-16	Final Report Issued	Operating Well
Corporate IT	239	High	10	Apr-16	Awaiting completion of Council audits	
Asbestos Management	155	Medium	70	Oct-15	Final Report Issued	Satisfactory
Health and Safety	151	Medium	70	Jul-15	Final Report Issued	Satisfactory
Gas Servicing	198	Medium	40	Jan-16	Final Report Issued	Satisfactory
Change Management - IT Audit	149	Low	60	Jan-16	Final Report Issued	Operating Well
Customer Focus	159	Medium	50	Jan-16	Final Report Issued	Satisfactory
Housing Office Investigation Follow Up	266	High	50	Oct-15	Final Report Issued	Satisfactory
			640			
General						
General Advice, Consultancy and Systems Review			40			
Committee Training			15			
Audit Committee			30			
			85			

Total Hours	1,455
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Additional Audit						
Right to Buy					Final Report Issued	Satisfactory

Risk Score Categories:

High: >210

Medium: 150-210

Low: 0 - 149