

7. INTERNAL AUDIT – MONITORING REPORT

Report from: Audit Manager
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Tel:~(01444) 477241
Wards Affected: All
Key Decision: No
Date of Meeting – 19th November 2014

1. PURPOSE OF REPORT

The purpose of this report is twofold; to update the Committee on the progress of the 2014/2015 Internal Audit Plans and to report on the progress made in implementing previously agreed recommendations.

2. SUMMARY

- 2.1 The audit plans provides for a mix of coverage of fundamental systems, IT systems and service systems, which had been identified as potential risk areas. Appendix A summarises the progress to date on the plan and Appendix B shows the status and types of recommendations arising from our work.

3. RECOMMENDATIONS

The Committee is asked to receive this report.

4. REPORT TO AUDIT COMMITTEE

Progress on implementing previous recommendations as at 31st October 2014

- 4.1 At the time of writing this report, a number of follow up reviews were in progress as follows:

- CenSus Action Plan – second follow up;
- IT Back up and Disaster Recovery
- IT Change Management

A verbal update on these will be provided at the meeting.

Progress against the 2014/2015 Internal Audit Plan as at 31st October 2014

- 4.2 In line with the audit programme for 2014/2015 we have issued one report in the period, namely Freedom of Information for which there were no findings to report.

4.3 In addition to the follow ups, we were working on the following audits at the time of writing this report:

- Procurement;
- CenSus NNDR;
- Data Protection – Awareness and Training and Subject Access Requests;
- Payroll.

A verbal update on these will be provided at the meeting.

Background Papers

Internal Audit reports relating to 2014/2015

Working papers relating to 2014/2015

Appendix A

**Mid Sussex District Council
Internal Audit Plan 2014/2015
Progress Report 31st October 2014**

| Audit Area | Rating | Budget / Days | Provisional Timing - commencing | Fieldwork Commenced | Draft Report Issued | Management Responses Received | Target date for issue of Final | Final Report Issued | High Findings Reported to Audit Committee | Comments |
|---|--------|---------------|---------------------------------|---------------------|--------------------------|-------------------------------|--------------------------------|---------------------|---|-------------------------------|
| Fundamental Systems | | | | | | | | | | |
| NNDR - CenSus Partners | High | 20 | Qtr 3 | 13 Oct 20104 | | | | | | Audit conducted by Mid Sussex |
| Council Tax – CenSus Partners | High | N/A | | | | | | | | Audit conducted by Horsham |
| Housing Benefits – CenSus Partners | High | N/A | | | | | | | | Audit to be conducted by Adur |
| Payroll | High | 8 | Qtr 3 | 3 Nov 2014 | | | | | | |
| Income Collection (Cashiers) | High | 10 | Qtr 3 | | | | | | | |
| Treasury Management | High | 5 | Qtr 3 | | | | | | | |
| Payments (Creditors) | High | 5 | Qtr 3 | | | | | | | |
| Sundry Debtors | High | 5 | Qtr 4 | | | | | | | |
| Capital Accounting and Asset Management | High | 7 | Qtr 4 | | | | | | | |
| Budgetary Control | High | 4 | Qtr 4 | | | | | | | |
| FMS | High | 5 | Qtr 4 | | | | | | | |
| Ernst and Young – top up testing | High | 15 | Qtr 4 | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Risk Based and Corporate | | | | | | | | | | |
| Leisure Centre Contract Award Review | High | 15 | | | | | | | | On hold |
| Procurement | High | 10 | Qtr 2 | 21 Aug 2014 | 3 rd Nov 2014 | | | | | |
| Anti-Fraud Work | High | 8 | Qtr 4 | | | | | | | |
| | | | | | | | | | | |
| Computer Audit | | | | | | | | | | |
| To be agreed | | | | | | | | | | Moved to contingency |

| Audit Area | Rating | Budget / Days | Provisional Timing - commencing | Fieldwork Commenced | Draft Report Issued | Management Responses Received | Target date for issue of Final | Final Report Issued | High Findings Reported to Audit Committee | Comments |
|--|--------|---------------|---------------------------------|---------------------|---|-------------------------------|--------------------------------|---------------------|---|----------------------|
| Value for Money | | | | | | | | | | |
| To be allocated | | | | | | | | | | Moved to contingency |
| | | | | | | | | | | |
| Requested by Management | | | | | | | | | | |
| CenSus Action Plan Review | High | 5 | Qtr 1 | 19 Jun 2014 | 10 Jul 2014 | 10 Jul 2014 | 17 Jul 2014 | 15 Jul 2014 | N/A | |
| CenSus – Review of Business Rates Retention Scheme | High | 8 | Qtr 1 | 7 Jul 2014 | 29 Jul 2014 | N/A | 5 Jul 2014 | 11 Aug 2014 | N/A | |
| Freedom of Information Requests | High | 8 | Qtr 3 | 10 Oct 2014 | 17 Oct 2014 | 17 Oct 2014 | 31 Oct 2014 | 23 Oct 2014 | N/A | |
| Data Protection – Awareness and Training and Subject Access Requests | High | 8 | Qtr 3 | 7 Oct 2014 | | | | | | |
| Housing Benefit – Initial Testing | High | 15 | Qtr 2 | 15 Jul 2014 | The work that we have undertaken has been passed to Ernst and Young, the Council's external auditor. A meeting is being arranged in December to discuss the outcome of this work. It has been confirmed that no further work is required to be undertaken by Internal Audit on this area. | | | | | |

| Audit Area | Rating | Budget / Days | Provisional Timing - commencing | Fieldwork Commenced | Draft Report Issued | Management Responses Received | Target date for issue of Final | Final Report Issued | High Findings Reported to Audit Committee | Comments |
|-------------------------------------|--------|---------------|---------------------------------|---------------------|---------------------|-------------------------------|--------------------------------|---------------------|---|----------|
| Follow Ups | | | | | | | | | | |
| Back up and Disaster Recovery | High | 1 | Qtr 3 | 14 Oct 2014 | | | | | | |
| Change and Configuration Management | High | 1 | Qtr 3 | 14 Oct 2014 | | | | | | |
| CenSus Action Plan Review | High | 2 | Qtr 3 | 20 Oct 2014 | | | | | | |
| | | | | | | | | | | |

Appendix B

Mid Sussex District Council
Internal Audit Plan 201/2015
Progress Report 31st October 2014

| Audit Area | Draft Report | Final Report | Rating of Recommendations | | | | Nature of Recommendations | | | | | | |
|---|--------------|--------------|---------------------------|-----------------|--------------|-------|---------------------------|----------------|----------------------------|-------------------------|-------------------------------|---------------------------|--------------|
| | | | High Priority | Medium Priority | Low Priority | Total | Policies and procedures | Staff training | Record keeping/maintenance | Data/Financial security | Authorisation of transactions | Contract / budget setting | System error |
| NNDR - CenSus Partners | | | | | | | | | | | | | |
| Council Tax – CenSus Partners | | | | | | | | | | | | | |
| Housing Benefits – CenSus Partners | | | | | | | | | | | | | |
| Payroll | | | | | | | | | | | | | |
| Income Collection (Cashiers) | | | | | | | | | | | | | |
| Treasury Management | | | | | | | | | | | | | |
| Payments (Creditors) | | | | | | | | | | | | | |
| Sundry Debtors | | | | | | | | | | | | | |
| Capital Accounting and Asset Management | | | | | | | | | | | | | |

| Audit Area | Draft Report | Final Report | Rating of Recommendations | | | | Nature of Recommendations | | | | | | |
|--|--------------|--------------|---------------------------|-----------------|--------------|-------|---------------------------|----------------|----------------------------|-------------------------|-------------------------------|---------------------------|--------------|
| | | | High Priority | Medium Priority | Low Priority | Total | Policies and procedures | Staff training | Record keeping/maintenance | Data/Financial security | Authorisation of transactions | Contract / budget setting | System error |
| Budgetary Control | | | | | | | | | | | | | |
| FMS | | | | | | | | | | | | | |
| Ernst and Young – top up testing | | | | | | | | | | | | | |
| Leisure Centre Contract Award Review | | | | | | | | | | | | | |
| Procurement | | | | | | | | | | | | | |
| Anti-Fraud Work | | | | | | | | | | | | | |
| Freedom of Information | | | | | | | | | | | | | |
| Data Protection and Subject Access Requests | | | | | | | | | | 1 | | | |
| CenSus Action Plan Review | | | | | | | | | | | | | |
| CenSus – Review of Business Rates Retention Scheme | 10 Jul 2014 | 15 Jul 2014 | - | - | - | - | | | | | | | |
| Freedom of Information Requests | 17 Oct 2014 | 23 Oct 2014 | - | - | - | - | | | | | | | |

| Audit Area | Draft Report | Final Report | Rating of Recommendations | | | | Nature of Recommendations | | | | | | |
|--|--------------|--------------|---------------------------|-----------------|--------------|-------|---------------------------|----------------|----------------------------|-------------------------|-------------------------------|---------------------------|--------------|
| | | | High Priority | Medium Priority | Low Priority | Total | Policies and procedures | Staff training | Record keeping/maintenance | Data/Financial security | Authorisation of transactions | Contract / budget setting | System error |
| Data Protection – Awareness and Training and Subject Access Requests | | | | | | | | | | | | | |
| Housing Benefit – Initial Testing | | | | | | | | | | | | | |
| Follow Ups | | | | | | | | | | | | | |
| Back up and Disaster Recovery | | | | | | | | | | | | | |
| Change and Configuration Management | | | | | | | | | | | | | |
| CenSus Action Plan | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |