

## 10. INTERNAL AUDIT – MONITORING REPORT

Report from: Audit Manager  
Contact Officer: Ben Durrant, HW Controls & Assurance LLP  
Email: [ben.durrant@midsussex.gov.uk](mailto:ben.durrant@midsussex.gov.uk)  
Tel: (01444) 477241  
Wards Affected: All  
Key Decision No

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### 1. Purpose of Report

The purpose of this report is twofold; to update the Committee on the progress of the 2012-2013 and 2013-2014 Internal Audit Plans and to report on the progress made in implementing previously agreed recommendations.

### 2. Summary

- 2.1 The audit plans provide for a mix of coverage on fundamental systems, IT systems and service systems, which have been identified as potential risk areas. Appendix A summarises the progress to date on both plans.

### 3. Recommendations

**The Audit Committee is asked to receive the report.**

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### 4. Report to Audit Committee

#### **Progress on implementing previous recommendations**

- 4.1 There are currently no outstanding high priority recommendations to report from our own work.
- 4.2 However, the Council Tax audit conducted by Adur DC via our joint arrangements for carrying out the CenSus audits identified one high priority recommendation in relation to discounts, exemptions and disregards.
- 4.3 Testing on samples of discounts, exemptions and disregards identified that 24 of 30 Single Person Discount (SPD) cases and 12 of 30 disablement/ student disregard cases had gone more than 12 months without review. Eight of the 24 SPD cases and four of the 12 disablement/ student disregard cases related to MSDC.
- 4.4 The management response stated that work on reviewing the SPD cases had already begun at the time of audit and that annual reviews of disablement cases were to be introduced from August 2013. This recommendation will be followed up as part of the 2013/14 Council Tax audit later this year.

### **Progress against the 2012-13 Internal Audit plan as at 25<sup>th</sup> June 2013**

- 4.5 All of the audits within the plan have now been completed. There were no high priority recommendations for any of the audits carried out by Internal Audit.
- 4.6 Five audits were removed from the plan, four of which were reported at the last Committee meeting on 19<sup>th</sup> March 2013. The ICT Strategy audit has also been removed as the Council does not have a separate ICT strategy other than the one in place for the CenSus partnership.

### **Progress against the 2013-14 Internal Audit plan as at 25<sup>th</sup> June 2013**

- 4.8 In line with the audit programme for the current year we have completed the Pitches and Pavilions audit.
- 4.9 Additionally, we have scheduled the remaining audits for the rest of the year, the timings of which can be seen in appendix A.

### **Background Papers**

Internal Audit reports relating to 2012-2013  
Working papers relating to 2012-2013

Internal Audit reports relating to 2013-2014  
Working papers relating to 2013-2014

**Mid Sussex District Council  
Internal Audit Plan 2012/13  
Progress Report 25<sup>th</sup> June 2013**

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
<b>Fundamental Systems</b>										
NNDR – CenSus Partners	High	N/A	Qtr 3	15 Oct 2012	N/A	N/A	N/A	27 Mar 2013	N/A	Audit conducted by Horsham
Council Tax – CenSus Partners	High	N/A	Qtr 3	26 Nov 2012	N/A	N/A	N/A	29 Apr 2013	25 June 2013	Audit conducted by Adur
Housing Benefits – CenSus Partners	High	25	Qtr 3	8 Oct 2012	18 Dec 2012	28 Jan 2013	4 Feb 2013	29 Jan 2013	N/A	Audit conducted by Mid Sussex
Payroll	High	5	Qtr 4	21 Jan 2013	4 Feb 2013	20 Feb 2013	27 Feb 2013	20 Feb 2013	N/A	
Income Collection (Cashiers)	High	10	Qtr 3	26 Nov 2012	14 Dec 2012	14 Dec 2012	21 Dec 2012	14 Dec 2012	N/A	
Treasury Management	High	5	Qtr 4	20 Feb 2012	6 Mar 2013	5 June 2013	12 June 2013	5 June 2013	N/A	
Payments (Creditors)	High	5	Qtr 4	14 Jan 2013	25 Jan 2013	25 Jan 2013	1 Feb 2013	29 Jan 2013	N/A	
Sundry Debtors	High	5	Qtr 3	29 Oct 2012	7 Nov 2012	7 Nov 2012	14 Nov 2012	7 Nov 2012	N/A	
Capital Accounting & Asset Management	Medium	7	Qtr 4	21 Jan 2013	31 Jan 2013	4 Feb 2013	11 Feb 2013	4 Feb 2013	N/A	
Budgetary Control	Medium	4	Qtr 3	6 Nov 2012	16 Nov 2012	16 Nov 2012	23 Nov 2012	19 Nov 2012	N/A	
<b>Computer Audit</b>										
Programme and Project Management	High	10	Qtr 3	18 Oct 2012	19 Mar 2013	28 Mar 2013	8 Apr 2013	15 Apr 2013	N/A	
Service and Support (ITIL service desk)	High	5	Qtr 3	5 Mar 2013	21 Mar 2013				N/A	Awaiting management response
ICT Strategy	High	8	Qtr 4	20 Feb 2013						Removed from plan (see 4.6 in report)
Resource Link	High	8	Qtr 2	25 Sep 2012	31 May 2013	5 June 2013	12 June 2013	5 June 2013	N/A	
PSN Compliance (Formally GSi CoCo Compliance)	High	2	Qtr 4	5 Mar 2013	18 Mar 2013	26 Mar 2013	4 Apr 2013	26 Mar 2013	N/A	

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 Cttee	Comments
<b>Required by Senior Management</b>										
Housing Needs (Temporary Accommodation)		8	Qtr 1	14 May 2012	1 June 2012	7 June 2012	14 June 2012	7 June 2012	N/A	
Purchasing and Fuel Cards		6	Qtr 1	28 May 2012	9 July 2012	30 July 2012	6 Aug 2012	1 Aug 2012	N/A	
Banking Arrangements		5	Qtr 1	25 June 2012	6 Sept 2012	10 Oct 2012	17 Oct 2012	10 Oct 2012	N/A	
Grounds Maintenance Contracts*		5	Qtr 2	20 Aug 2012	11 Sept 2012	13 Sept 2012	20 Sept 2012	13 Sept 2012	N/A	
Refuse Contract*		5	Qtr 2	3 Sept 2012	11 Sept 2012	23 Jan 2013	30 Jan 2013	24 Jan 2013	N/A	
Leisure Contract*		5	Qtr 2	24 Sept 2012	3 Oct 2012	4 Oct 2012	11 Oct 2012	4 Oct 2012	N/A	
NNDR Discretionary Rate Relief		5	Qtr 2	4 July 2012	9 Aug 2012	29 Aug 2012	5 Sept 2012	29 Aug 2012	N/A	
Use of Data		40	Qtr 3							Postponed until 2013/14 (see report to Audit Cttee 19/3/13)
Local Land Charges		7	Qtr 3	10 Dec 2012	11 Jan 2013	11 Jan 2013	18 Jan 2013	14 Jan 2013	N/A	
Statutory Policies and Procedures		5	Qtr 3	23 Oct 2012	23 Nov 2012	5 Mar 2013	12 Mar 2013	6 Mar 2013	N/A	
Staff Training		6	Qtr 4							Removed from plan (see report to Audit Cttee 19/3/13)
Corporate Governance (Follow-up of 10/11 audit)		2	Qtr 4	4 Feb 2013	24 Apr 2013	10 June 2013	17 June 2013	11 June 2013	N/A	
Risk Management		6	Qtr 4							Removed from plan (see report to Audit Cttee 19/3/13)
Contact Centre		5	Qtr 4							Removed from plan (see report to Audit Cttee 19/3/13)
Design and Print		5	Qtr 4	16 Jan 2013	4 Apr 2013	10 Apr 2013	17 Apr 2013	10 Apr 2013	N/A	

\*There was a Facilities Management Contracts audit with a budget of 15 days in the original audit plan. The budget has been split equally into three separate audits to look at specific contracts.

Draft report should be issued no more than 20 working days after debrief meeting.

Management Responses should be received no later than 10 working days after issue of draft report.

Final Report should be issued no later than 5 working days after Management Responses are received.

**Mid Sussex District Council  
Internal Audit Plan 2013/14  
Progress Report 25<sup>th</sup> June 2013**

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
<b>Fundamental Systems</b>										
NNDR – CenSus Partners	High	N/A	Qtr 3							Audit conducted by Adur
Council Tax – CenSus Partners	High	20	Qtr 3							Audit conducted by Mid Sussex
Housing Benefits – CenSus Partners	High	N/A	Qtr 3							Audit conducted by Horsham
Payroll	High	5	Qtr 4							
Income Collection (Cashiers)	High	10	Qtr 3							
Treasury Management	High	5	Qtr 4							
Payments (Creditors)	High	5	Qtr 4							
Sundry Debtors	High	5	Qtr 3							
Capital Accounting & Asset Management	Medium	7	Qtr 4							
Budgetary Control	Medium	4	Qtr 3							
<b>Computer Audit</b>										
Back-up and Disaster Recovery	High	5								
Change and Configuration Management	High	7								
BACAS		6								
PSN		2								

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<b>Required by Senior Management</b>										
Procurement		6	Qtr 2							
Pitches and Pavilions		6	Qtr 1	13 May 2013	24 May 2013					Awaiting management response
Anti Fraud Work		7	Qtr 2							
Land and Property		7	Qtr 2							
Use of Data		10	Qtr 3							
Landscapes		10	Qtr 2							

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