

9. INTERNAL AUDIT – MONITORING REPORT

Report from: Audit Manager
Contact Officer: Gillian Edwards
Email@ gillian.edwards@midsussex.gov.uk
Tel: (01444) 477241
Wards Affected: All
Key Decision: No
Date of Meeting – 29 September 2015

1. PURPOSE OF REPORT

The purpose of this report is twofold; to update the Committee on the progress of the 2014/2015 and the 2015/2016 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 the status and types of recommendations arising from our work for 2014/15 and Appendix B shows the same for the 2015/16 work year.

3. RECOMMENDATIONS

The Committee is asked to receive this report.

4. REPORT TO AUDIT COMMITTEE

Progress on implementing previous recommendations

- 4.1 We have completed a number of follow up audits as shown below. There was one audit with a high priority finding (NNDR); on the remainder no high priority findings were raised. In all cases the agreed actions have been implemented or are in progress, except for one low priority finding, where a new implementation date has been agreed with the Audit Manager.
- 4.2 Also, we have agreed to a request regarding a medium priority finding on the NNDR audit from CenSus to extend their deadline from 31 March 2015 to a new date of 31 March 2016. This will allow for the clearance of the historic elements of the NNDR Suspense Account which has decreased from £83,640.95 at the time of the audit to a balance as at 27 August 2015 of £19,976.33.
- 4.3 The follow-up audits were as follows:
- Data Protection Awareness and Training
 - NNDR
 - Procurement
 - Sundry Debtors
 - Creditors

- 4.4 We have not yet received the Internal Audit Report from Mazars of CenSus Housing Benefits for 2014/2015. This was due by 30/06/2015. We have contacted Mazars regularly since June and were given an assurance that this would be issued by the end of August 2015.

PROGRESS AGAINST THE 2015/2016 INTERNAL AUDIT PLAN AS AT 31 AUGUST 2015

- 4.5 In line with the audit programme for 2015/2016 we have issued one audit report during the period as follows:
- Fraud Risk Assessment
- 4.6 In addition to the follow ups, we were working on the following audit at the time of writing this report:
- Procurement including compliance with the new Local Government Transparency Code.
- 4.7 During the next Quarter we will begin work on the following fundamental systems:
- Payroll
 - Treasury Management

Background Papers

Internal Audit reports relating to 2014/2015 and 2015/2016
Working papers relating to 2014/2015 and 2015/2016

Appendix A

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

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 2014	5 Feb 2015	19 Feb 2015	9 Mar 2015	10 Mar 2015	1	Audit conducted by Mid Sussex
Council Tax – CenSus Partners	High	N/A								Audit conducted by Horsham
Housing Benefits – CenSus Partners	High	N/A								Audit conducted by Adur – results of audit are pending from Mazars
Payroll	High	8	Qtr 3	3 Nov 2014	26 Jan 2015	28 Jan 2015	6 Feb 2015	12 Feb 2015	N/A	
Income Collection (Cashiers)	High	10	Qtr 3	2 Feb 2015	27 Feb 2015	27 Feb 2015	27 Feb 2015	27 Feb 2015	N/A	
Treasury Management	High	5	Qtr 3	To start 27 Mar 2015	14 Apr 2015	15 Apr 2015	20 Apr 2015	20 Apr 2015	N/A	
Payments (Creditors)	High	5	Qtr 3	12 Jan 2015	24 Mar 2015	22 Apr 2015	25 Apr 2015	12 May 2015	N/A	
Sundry Debtors	High	5	Qtr 4	25 Feb 2015	7 Mar 2015	29 Mar 2015	7 Apr 2015	7 Apr 2015	N/A	
Capital Accounting and Asset Management	High	7	Qtr 4	16 Mar 2015	15 Apr 2015	15 Apr 2015	15 Apr 2015	15 Apr 2015	N/A	
Budgetary Control	High	4	Qtr 4	17 Dec 2014	20 Jan 2015	20 Jan 2015	27 Jan 2015	27 Jan 2015	N/A	
FMS	High	5	Qtr 4	18 Mar 2015	15 Apr 2015	15 Apr 2015	15 Apr 2015	15 Apr 2015	N/A	
Ernst and Young – top up testing	High	15	Qtr 4	Ongoing throughout the year						Moved 12.5 days to contingency
Risk Based and Corporate										
Leisure Centre Contract Award Review	High	15								Cancelled
Procurement	High	10	Qtr 2	21 Aug 2014	3 rd Nov 2014	8 Dec 2014	16 Dec 2014	16 Dec 2014	N/A	
Anti-Fraud Work	High	8	Qtr 4	2 Feb 2015	11 May 2015	20 May 2015	31 May 2015	31 May 2015	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 Committee	Comments
Computer Audit										
To be allocated										Moved to contingency
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	16 Feb 2015					
Housing Benefit – Initial Testing	High	15	Qtr 2	15 Jul 2014						<p>The work that we have undertaken has been passed to Ernst and Young, the Council's external auditor.</p> <p>A meeting is being arranged in December to discuss the outcome of this work.</p> <p>It has been confirmed that no further work is required to be undertaken by Internal Audit on this area.</p>

Mid Sussex District Council
Internal Audit Plan 2014/2015
Summary of Recommendations from 1st April 2014– 31st March 2015

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	6 Jan 2015	10 March 2015	1	2	-	3		1		2			
Council Tax – CenSus Partners	-	March 2015	-	3	1	4			2	2			
Housing Benefits – CenSus Partners	Waiting for Mazars		-	-	-	-							
Payroll	26 Jan 2015	12 Feb 2015	-	-	5	5	1		2	1	1		
Income Collection (Cashiers)	27 Feb 2015	27 Feb 2015	-	-	-	-							
Treasury Management	14 April 2015	20 April 2015	-	-	1	1	1						
Payments (Creditors)	2 Mar 2015	24 Mar 2015		1		1			1				
Sundry Debtors	7 April 2015	12 May 2015	-	2	1	3			3				
Capital Accounting and Asset Management	14 April 2015	14 April 2015	-	-	-	-							

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	20 Jan 2015	27 Jan 2015	-	-	-	-							
FMS	15 Apr 2015	15 Apr 2015	-	-	-	-							
Procurement	3 Nov 2014	16 Dec 2014	-	4	-	4		1	1			2	
Anti-Fraud Work	11 May 2015	31 May 2015	-	2	9	11	4	2	1	4			11
Freedom of Information	23 Oct 2014	23 Oct 2014	-	-	2	2	2						
Data Protection and Subject Access Requests	16 Feb 2015	16 April 2015	-	-	1	1			1				
CenSus Action Plan Review	10 Jul 2014	15 Jul 2014	-	-	-	-							
CenSus – Review of Business Rates Retention Scheme	29 Jul 2014	11 Aug 2014	-	-	-	-							
Freedom of Information Requests	17 Oct 2014	23 Oct 2014	-	-	-	-							

