

9. INTERNAL AUDIT – MONITORING REPORT 31st August 2016

Report from: Audit Manager
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Wards Affected: All
Key Decision: No
Date of Meeting – 20th September 2016

PURPOSE OF REPORT

1. The purpose of this report is twofold; to update the Committee on the progress of the 2016/2017 Internal Audit Plan and to report on the progress made in implementing previously agreed recommendations.

SUMMARY

2. 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 shows the status and types of recommendations arising from our work and Appendix B summarises the progress to date on the 2016/2017 audit plan.

RECOMMENDATIONS

3. **The Committee is asked to receive this report.**
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PROGRESS AGAINST THE 2016/2017 INTERNAL AUDIT PLAN AS AT 31st AUGUST 2016

4. Since the last report to this Committee, one audit has been finalised, being Car Parking Income, and there were no high priority findings arising from this review.
5. We have not commenced any further audits in the period, however, I have allocated all of the outstanding work to my staff and confirm that we will complete the plan by 31st March 2017.

Progress on implementing agreed actions

6. Since the last report to this committee on 11th July 2016, a number of follow up reviews have been undertaken as follows:

CenSus Housing Benefits Audit 2015/2016

Access to the CenSus Academy System

7. Out of 322 users, we found that 74 were inactive. We were advised in November 2015 that System Administration had begun an exercise to remove all dormant accounts, or those of staff who had left the three Councils. The responsible officer for the implementation of this action is the CenSus Systems Administration Team Manager and it is due to be implemented by 31st December 2016.

8. I reported at the last meeting of this Committee that work has begun on this and was continuing. This remains the case and I will report back to this Committee how far this has progressed at the next meeting in November.
9. At the last meeting, a Member queried why people who had left the Council are not being removed from the system. The Internal Auditor who attended the meeting assured members that this was a priority and he would have answers for the next Committee.
10. I have liaised with CenSus Systems Administration Team Manager who advised that it is the responsibility of all CenSus Revenues and Benefits Team Managers to advise the Systems Administration Team when a member of staff or a temporary contractor leaves our employment. Horsham District Council will be starting the annual audit of Housing Benefits in the near future and I will request that this is included in their work. I will report the outcome of this testing, and any other issues, in due course.

Backing Up of the CenSus Academy System

11. Whilst we have identified that ICT have a process in place for backing up the Academy System to tape drive, we do not have assurance that the tape could be used successfully to recover Academy in the event of a system failure.
12. In previous years there has been evidence that the system has been recovered using the tapes. Within last year CenSus ICT have lost a key member of staff who supported the Academy system and no testing of the backup process has been carried out.
13. Management confirmed that there are two separate matters:
 - 1) Restore from backup tape to the current LIVE production server (located in HDC);
 - 2) Restore from backup tape to the DR Server (located in MSDC).
14. The responsible officers are the CenSus ICT TDA/Programme Manager and CenSus Revenues and Benefits System Administrator and the date for implementation is between May and July 2016.
15. I reported at the last meeting of this Committee in July that CenSus ICT were consulting with Capita with regards to the implementation and it is likely that this would take place in August 2016.
16. I have now liaised with officers at CenSus and have confirmed that the exercise for tape restore was considered to be very successful not just in proving the data can be restored from tape but also the system has mechanisms to assist in avoiding data corruption from unmatched releases. In addition, the automatic overnight checkpoint streaming and roll forward were also proved to be functioning correctly. This will be reviewed during the CenSus Housing Benefits audit to be undertaken by Horsham District Council.

Income Collection Audit 2015/2016

Documented Procedures

17. Whilst procedures relating to income collection were generally satisfactory, we found that there were some areas where these could be improved and these were deemed to be low priority findings. These included within the Finance Team, Car Parking, Planning and Building Control and Licencing. We have confirmed that all of the procedures have now been updated, except for Parking Income, which is due for completion by 30th November 2016. I will report progress on this to the Committee meeting in March 2017.

Background Papers

Internal Audit reports relating to 2015/2016 and 2016/2017
Working papers relating to 2015/2016 and 2016/2017

Appendix A

Mid Sussex District Council
Internal Audit Plan 2016/2017
Summary of Recommendations from 1st April 2016– 31st March 2017

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
CenSus													
Council Tax													
Payroll													
Income Collection (Cashiers)													
Treasury Management													
Payments (Creditors)													
Sundry Debtors													
Capital Accounting and Asset Management													
Budgetary Control													
FMS													
E&Y Top up Testing													
Procurement													
Anti-Fraud Work inc. NFI													
Car Parking	8/07/2016	13/07/2016		1						1			

