INTERNAL AUDIT MONITORING REPORT

<u>Report of the:</u>	Head of Corporate Risk
<u>Contact:</u>	Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	<u>Annexe 1</u> – Internal Audit Progress Report
<u>Other available papers</u> (not attached):	Strategy for Internal Audit 2015/16

REPORT SUMMARY

This report summarises progress against the audit plan for 2015/16

	Notes
RECOMMENDATION (S) **(1) This report summarises progress against the audit plan for 2015/16.**	

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 None for the purposes of this report.

2 Background

2.1 The Committee's terms of reference includes the requirement to monitor implementation of Audit recommendations.

3 Audit Findings

3.1 The Internal Audit Progress Report covering the period to date for 2015/16 is attached as <u>Annexe 1</u> to this report

3.2 The report monitors the delivery of the audit programme and contains the key features that this Committee has requested. RSM use a traffic light system of Red, Red/Amber, Green/Amber and Green to give a clear indication of whether a report is positive or negative. During the year, progress reports will reflect the opinions and build a picture of the findings contained within the end of year opinion. The recommendations have three ratings, High, Medium and Low and contains the following features:

3.2.1 A summary of progress against the audit plan;

3.2.2 Internal audit plan performance;

3.2.3 Any alterations to the plan;

3.2.4 Key findings for each review.

3.3 Two reports have been finalised since the last monitoring report. These are Green Waste (Amber/Green) and Software Licensing (Amber/Green), shown in bold in the Table below.

Summary of Progress against the Internal Audit Plan

Assignment	Opinion	Actions Agreed		
		H	M	L
Attendance	Green		1	1
Recruitment	Amber/Green		1	5
Review of Anti Fraud and Anti Bribery Arrangements	Advisory	1	5	3
Cash Handling	Amber/Green	1	5	3
Venues	Amber/Green		1	1
Information Governance	Amber/Green		2	8
Property Maintenance	Amber/Red	1	1	2
PCI Compliance	Amber/Red	3	6	
Project Management	Advisory		7	
Contract Management	Advisory		7	
Income from Car Parking	Amber/Red	1	1	1
Fleet Management	Green			2
Payroll	Amber/Green		1	3
Capital Accounting & Asset Management	Green			0

Green Waste Income	**Amber/Green**		**2**	**1**
Software Licensing	**Amber/Green**		**4**	**2**
Performance Management	**Draft issued Amber/Green**			
Facilities Management Contract Review	**Draft Advisory**			
Data Quality	**WIP**			
Follow up previous internal audit recommendations	**Draft Reasonable Progress**			

3.4   Two reports are currently in draft; these are Performance Management and the Facilities Management Contract Review, which will be reported to the next meeting. The Data Quality Review and the follow up review are still work in progress.

Progress Update – Customer Relationship Management (CRM) Post Implementation Review

3.5   The post implementation advisory review of the CRM was reported to Committee in November 2015. This review identified a number of issues with the functionality of the CRM which resulted in work arounds and parallel systems being operated. The Committee were advised that an action plan was being developed and a Project Board being established. Progress has been made in addressing the issues identified which can now be reported to Committee.

3.6   The auditors recommended that the Council should stabilise, design, develop, operate and support the existing platform or complete a full re-implementation of the CRM 2011, with their preferred option being to stabilise.

3.7   A halt was placed on all further development work and a Project Board established. A project scope was agreed to initially resolve short term issues and then to look at a medium term solution, focusing on a low cost, low maintenance system.

3.8   The agreed action plan is now in place and monitored by the Project Board. Some internal remedial work has been undertaken which has improved workflows, ensures only one issue log is maintained, and has synchronised the test and live systems.

3.9 Further short term actions are currently in progress, including switching on the audit trail to improve security and improve additional workflows. The Project Board are also looking at a range of options to provide a more cost effective CRM and assessing the internal skills required to support this. The Board will continue to meet regularly and monitor the action plan, taking into consideration the outcome of on-going service reviews and business service engineering reviews.

3.10 An update on the progress of the implementation of the high priority recommendations reported in 2015/16 and from 2014/2015 is attached in Annexe 2.

4 Financial and Manpower Implications

4.1 There are no specific financial or manpower implications for the purpose of this report.

4.2 ***Chief Finance Officer's comments:*** None for the purpose of this report

5 Legal Implications (including implications for matters relating to equality)

5.1 None.

5.2 ***Monitoring Officer's comments:*** No comments.

6 Sustainability Policy and Community Safety Implications

6.1 There are no community safety implications for this report.

7 Partnerships

7.1 The Council work in partnership with the internal auditors to improve risk management.

7.2 The Council form part of the internal audit consortium with Mole Valley, Reigate and Banstead, Tandridge, Waverly Councils and the Surrey police Authority.

8 Risk Assessment

8.1 The internal audit service forms a statutory part of the Council's internal control arrangements.

9 Conclusion and Recommendations

9.1 There are no reports in this monitoring report with a red or red/amber assurance. Those previously reported to committee have been noted in the Head of Internal Audit's Year End Opinion which is reported separately to Committee.

WARD(S) AFFECTED: (All Wards);