

INTERNAL AUDIT MONITORING REPORT

Report of the: Head of Corporate Governance
Contact: Gillian McTaggart
Urgent Decision?(yes/no) No
If yes, reason urgent decision required:
Annexes/Appendices (attached): **Annexe 1** – Internal Audit Progress Report
Other available papers (not attached):

Report summary

This report summarises progress against the audit plan for 2017/18

Recommendation (s)

(1) That the Committee receives the internal audit progress report for 2017/18

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 requirements to monitor the implementation of recommendations from both external and internal auditors.

2.2 On 8 February 2018, the Committee received the last internal audit progress report for 2017/18; on 20 June 2017 the Committee received the year-end report for 2016/17. There were no matters arising where the Committee required further reports.

2.3 The Committee endorsed the audit plan for 2017/18 on the 11 April 2017.

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3 Proposals

- 3.1 The internal audit progress report covering the period to date for 2017/18 is attached as **Annexe 1** to this report.
- 3.2 The report monitors the delivery of the audit programme and contains the key features that the Committee has requested. During the year, progress reports will reflect the internal auditor's opinion. This report includes:
- 3.2.1 A summary of progress
 - 3.2.2 Internal audit plan performance
 - 3.2.3 Any alterations to the plan
 - 3.2.4 Executive summary and detailed findings of each review.
- 3.3 A summary of progress against the Internal Audit Plan for 2017/18 is shown below. Four reports have been finalised; Homelessness – Business Process Review , Planning income, Corporate Governance and Payroll.

Assignment	Reported	Opinion	H	M	L
Business Process Review (Housing) C/F from 2016/17	19 April 18	Reasonable Assurance		3	
Booking System and income collected	23 November 17	Reasonable Assurance			3
Emergency Planning and civil contingencies	23 November 17	Reasonable Assurance		3	4
Delivery of the Local Plan	8 February 18	Reasonable Assurance		1	1
Property Management	23 November 17	Reasonable Assurance			5
Cyber Security	In progress				
IT General Controls	Not started				
Commercial Property Acquisitions	23 November 17	Substantial Assurance	-	-	-
Housing Needs	Deferred to 2018/19				

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Transport Contract management	8 February 18	Substantial Assurance	-	-	3
Private Sector Leasing	Delayed start				
Temporary Accommodation Initiatives	Deferred to 2018/19				
Planning income	19 April 18	Substantial Assurance			2
Data Protection/ GDPR	Commencing April				
Revenues	8 February 18	Reasonable Assurance		1	2
Benefits	8 February 18	Reasonable Assurance		1	
Corporate Governance	19 April 18	Reasonable Assurance		3	1
Payroll	19 April 18	Reasonable Assurance		2	4
Follow up					

3.1 There are no matters within the audits issued to date to bring to the attention of the Committee. There have been some delays in audits commencing but they will all be completed by the year-end, except for two. The two housing audits have been deferred until 2018/19 due to resource implications in introducing the Homelessness Reduction Act 2017.

3.2 At its last meeting the Committee requested that a review of the governance of the Council's two new commercial properties be undertaken. This will be done in May 2018 and reported to the next meeting. This will be supplementary to the Commercial Property Acquisition audit already completed and form part of this year's audit opinion.

4 Financial and Manpower Implications

4.1 There are no financial or manpower implications within this report.

4.2 **Chief Finance Officer's comments:** The work of internal audit is critical to ensuring the Council has an effective and robust set of internal controls in place.

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

5.1 None for the purposes of this report.

5.2 **Monitoring Officer's comments:** There are no legal implications arising directly from this report. Internal Audit reports form a key part of the Council's governance arrangements.

6 Sustainability Policy and Community Safety Implications

6.1 None for the purposes of this report.

7 Partnerships

7.1 The Council continues to be part of the internal audit consortium with Mole Valley DC, Reigate & Banstead BC, Tandridge DC and Waverley DC and Surrey Police.

8 Risk Assessment

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

9 Conclusion and Recommendations

9.1 There are no reports, which have been given a "no assurance" rating that would affect the Head of Internal Audit's year-end opinion.

9.2 Although a number of audits have not yet been issued the Team are confident that all work, except for the two deferred audits, will be completed for the Annual Review reported to Committee in June on which the Head of Internal Audit basis his year end opinion

Ward(s) affected: (All Wards);