

## INTERNAL AUDIT MONITORING REPORT

<b>Head of Service/Contact:</b>	Gillian McTaggart, Head of Policy, Performance & Governance
<b>Annexes/Appendices (attached):</b>	<b>Annex 1</b> - Internal Audit Progress Report <b>Annex 2</b> - Update on Tree Inspections and Cyber Security Audit (Exempt from publication on the grounds that it relates to the business affairs of the Council)
<b>Other available papers (not attached):</b>	Internal Audit Plan 2018/19 Reports and Minutes of meetings of the Audit, Crime & Disorder and Scrutiny Committee: 19 April 2018, 22 November 2018 and 7 February 2019

### Report summary

This report summarises progress against the audit plan for 2018/19.

### Recommendation (s)

**That the Committee:**

- (1) Receives the latest internal audit progress report for 2018/19 attached at Annex 1.**
- (2) Notes the update regarding the backlog of tree inspections and the update on implementation of the cyber security audit recommendations attached at Annex 2.**

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

- 1.1 None for the purposes of this report.

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## 2 Background

- 2.1 The Committee's Terms of Reference include the requirement to monitor the implementation of recommendations from both the internal and external auditors.
- 2.2 The Internal Audit Plan for 2018/19 was endorsed at the meeting of the Audit, Crime & Disorder and Scrutiny Committee on the 19 April 2018. Progress made against the plan was reported to the Committee in November 2018 and February 2019.

## 3 Audit Plan 2018/19

- 3.1 Some further progress has been made against the Internal Audit Plan 2018/19 since the last meeting of the Committee. A summary of the latest position is shown in the table below and in RSM's internal audit progress report attached at **Annex 1**. Sixteen audits have been finalised this year to date, including the Cyber Security audit carried forward from 2017/18.
- 3.2 Two additional audits have been included in 2018/19, using some contingency available in the audit plan. The first is Venues Management reported to the February Committee, the second additional audit, Residential Property – Health and Safety Checks, reported to this Committee, looked at whether the Council is meeting its responsibilities as landlord including private sector leased properties.
- 3.3 On 7 February 2019 RSM delivered a one day training course for officers on contract management. This course examined the life cycle of a contract, contract risk, a contract management toolkit and culture. This replaced a normal audit of our contract management arrangements. Over 25 officers attended to improve understanding and contract monitoring skills.
- 3.4 Three audits remain outstanding – IT (Service Catalogue), Continuous Assurance (Quarters 3 and 4) and the Follow Up. These audits will be finalised and reported to the June 2019 Committee. A draft Annual Internal Audit Report for 2018/19 has been included elsewhere on this Agenda; the final report will be reported to the Committee in June 2019.

Assignment	Reported	Opinion	H	M	L
Cyber Security c/f from 2017/18	22 Nov 2018	Advisory	0	10	2
Midland HR iTrent	7 Feb 2019	Advisory	0	3	1
Health & Safety	22 Nov 2018	Partial Assurance	2	2	3

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<b>Assignment</b>	<b>Reported</b>	<b>Opinion</b>	<b>H</b>	<b>M</b>	<b>L</b>
Income from s.106 and Community Infrastructure Levy	22 Nov 2018	Reasonable Assurance	0	1	3
Venues Management	7 Feb 2019	Advisory	2	3	0
EEPIC Company Governance	22 Nov 2018	Reasonable	0	4	2
Community Safety	22 Nov 2018	Advisory	0	1	2
Project Management	7 Feb 2019	Simply weekly and Cemetery Extension: Substantial  Ebbisham Exit: Partial	1	3	1
Homelessness	7 Feb 2019	Reasonable	0	3	1
Treasury Management	7 Feb 2019	Substantial	0	1	0
<b>Payroll</b>	<b>16 April 2019</b>	<b>Reasonable</b>	<b>0</b>	<b>3</b>	<b>3</b>
IT Audit (Service Catalogue)	In progress				
<b>Corporate Governance (Members)</b>	<b>16 April 2019</b>	<b>Substantial</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Risk Management</b>	<b>16 April 2019</b>	<b>Substantial</b>	<b>0</b>	<b>1</b>	<b>0</b>
Continuous Assurance	22 Nov 2018 Quarter 1 Report	Advisory	0	1	0
	7 Feb 2019 Quarter 2 Report	Advisory	0	0	0
	Quarters 3 and 4 In progress				
Follow Up	In progress				
<b>Landlord Responsibilities (health and safety checks)</b>	<b>16 April 2019</b>	<b>Reasonable</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Contract Management</b>	<b>One day training delivered 7 February 2019</b>				

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- 3.5 At the last meeting, the Committee requested that a further update on the plan to address the backlog of tree inspections highlighted in the Continuous Assurance audits of quarters one and two be brought to this Committee. An update from the Head of Planning is detailed at **Annex 2**.
- 3.6 At the meeting of 22 November 2018, the Committee requested that an update on the implementation of the cyber security audit recommendations be provided to this meeting. As detailed in the presentation to the Committee, completion of the actions of this review are dependent on the completion of migrating to the new infrastructure. The progress on the infrastructure migration and an update on the agreed management actions has been provided by the ICT Manager at **Annex 2**.

### 4 Financial and Manpower Implications

- 4.1 There are no financial or manpower implications within this report.
- 4.2 **Chief Finance Officer's comments:** None for the purposes of this report.

### 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:** None arising from the contents of the report.

### 6 Sustainability Policy and Community Safety Implications

- 6.1 None for the purposes of this report.

### 7 Partnerships

- 7.1 The Council is part of the East Surrey Internal Audit Consortium but this partnership will cease on 31 March 2019 when the Council will enter into a new agreement independently with Southern Internal Audit Partnership.
- 7.2 Those 2018/19 audits yet to be reported to this Committee will be presented to the Committee at its next meeting in June. With the audit plan nearly complete, a draft Internal Audit Annual Report 2018/19 has been included on this Agenda. The final year end assurance report for 2018/19 will be presented in June 2019.
- 7.3 The new contract with Southern Internal Audit Partnership will commence on 1 April 2019. The Internal Audit Strategy for 2019/20 is reported separately to this Committee.

### 8 Risk Assessment

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

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**9 Conclusion and Recommendations**

- 9.1 The Committee is asked to note the latest internal audit progress report for 2018/19 and the updates on tree inspections and cyber security as requested by the Committee.

**Ward(s) Affected:** (All Wards);