

## **INTERNAL AUDIT - MONITORING REPORT**

<u>Report of the:</u>	Director of Finance and Resources
<u>Contact:</u>	Gillian McTaggart
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	
<u>Annexes/Appendices (attached):</u>	<u>Annexe 1</u> – Internal Audit Monitoring Report
<u>Other available papers (not attached):</u>	Audit Strategy for 2016/2017

### **REPORT SUMMARY**

**This report summarises progress against the audit plan for 2016/17.**

### **RECOMMENDATION (S)**

- |   |  |
|---|--|
| <p><b>(1) That the Committee receives the Internal Audit Progress Report for 2016/17.</b></p> |  |
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## **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 recommendations from external and internal auditors.

## **3 Audit Findings**

- 3.1 The Internal Audit Progress Report covering the period to date for 2016/17 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 this Committee has requested. During the year, progress reports will reflect the internal auditor's opinions and build up a picture of their findings contained within the end of year opinion. RSM have altered the format of the progress report for 2016/17 although it still includes:

- 3.2.1 A summary of progress

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3.2.2 Internal audit plan performance

3.2.3 Any alternations to the plan

3.2.4 Key findings of each review.

3.3 Five reports have been finalised since the last monitoring report.

3.4 A summary of progress against the Internal Audit Plan for 2016/17 is shown below.

Assignment	Opinion	Actions Agreed		
		H	M	L
<b><i>C/F from 15/16 Facilities Management</i></b>	<b>Advisory</b>			
<b><i>C/F from 15/16 Data Quality</i></b>	<b>Reasonable Assurance</b>		1	2
<b><i>Cash Handling</i></b>	<b>Reasonable Assurance</b>		1	2
<b><i>Workforce Planning</i></b>	<b>Advisory</b>			
<b><i>Housing Rent Accounting &amp; Reconciliation</i></b>	<b>Partial Assurance</b>		3	3
<i>Planning and Building Control</i>	Draft			
<i>Financial Management</i>	Not started			
<i>Allocations &amp; Voids</i>	<i>Work in Progress</i>			
<b><i>Business Performance Review Democratic Services</i></b>	<b>Reasonable Assurance</b>		1	2
<i>Risk Management</i>	<i>Not started</i>			
<i>Car Parks</i>	<i>Work in progress</i>			
<i>Governance</i>	<i>Not started</i>			
<i>Payroll</i>	<i>Not started</i>			
<i>Data Quality</i>	<i>Not started</i>			
<i>Rents and Income Collection</i>	<i>Not started</i>			

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<i>Private Sector Leasing</i>	<i>Not started</i>			
<i>Creditors</i>	<i>Not started</i>			
<i>Revenues</i>	<i>Not started</i>			
<i>Benefits</i>	<i>Not started</i>			
<i>Business Performance Review - Homelessness</i>	<i>Not started</i>			
<i>Agency Staff Procurement</i>	<i>Not started</i>			
<i>Procurement</i>	<i>Not started</i>			
<i>Follow Up</i>	<i>Not started</i>			
<i>PCI Code Compliance</i>	<i>Not started</i>			

- 3.5 There are two reports in draft, and these will be reported to the next committee.
- 3.6 There are two advisory reviews reported, Facilities Management and Workforce Planning.
- 3.7 **Facilities Management** – this review did not provide an overall rating but did identify a number of failings within the existing contract. An action plan has been devised to address these and includes; developing revised KPI's with the contractor to measure the service provided, ensuring the contractor reports against the full scope of the contract, a review of required PPM work (planned preventative maintenance ) be agreed in advance and the overall governance arrangements be strengthened .
- 3.8 **Workforce Planning** –this review looked at the Council's approach to workforce planning to ensure that the correct numbers of staff with the right skills are in place. They identified some areas of good practice, but limited formal arrangements were in place and there was no Workforce Plan or formal processes for succession or retirement planning. These will be addressed through the Organisational Development Plan for 2016-2020 which includes a range of initiatives.

#### 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 purposes of this report.

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

- 5.1 None.

5.2 ***Monitoring Officer's comments:*** None for the purposes of this report.

## **6 Sustainability Policy and Community Safety Implications**

6.1 None for the purposes of this report.

## **7 Partnerships**

7.1 The Council continues to form part of the East Surrey Internal Audit Consortium. The Consortium has jointly agreed to extend the existing contract for a further two years.

## **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 negative assurance that would impact on the Head of Internal Audit's year end opinion.

**WARD(S) AFFECTED: (All Wards);**