

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 20 June 2017 the Committee received the internal audit progress report and 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.

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.

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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 and one report is in draft. Booking system and income collected; Emergency Planning and civil contingencies; Property Management and Commercial Property Acquisitions have been finalised. The audit of the Local Plan is in draft.

| Assignment | Reported | Opinion | H | M | L |
|----------------------------------------------------|----------------|-----------------------|---|---|---|
| Business Process Review (Housing) C/F from 2016/17 | In progress | | | | |
| 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 | In draft | | | | |
| 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 | Not started | | | | |
| Transport Contract management | In progress | | | | |
| Private Sector Leasing | Not started | | | | |
| Temporary Accommodation Initiatives | Not started | | | | |

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| | | | | | |
|-----------------------|-------------|--|--|--|--|
| Planning Applications | Not started | | | | |
| Data Protection | Not started | | | | |
| Revenues | In progress | | | | |
| Benefits | In progress | | | | |
| Governance | Not started | | | | |
| Payroll | Not started | | | | |
| Follow up | | | | | |

There are no issues within the audits issued to date to bring to the attention of the Committee. However, the Committee should note that a request has been made to defer three of the audits within the Housing Department due to the introduction of the Homelessness Reduction Act 2017 as shown in section 3 of Annexe 1. This act will place new duties on the Council and require a lot of resource to implement, so the Team have requested a delay in the audits commencing in 2017/18. Discussions are on-going with the Head of Housing and Community to agree what work can be undertaken.

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.

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 continue 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. Although progress has been slow, the auditors are confident that all audits will be completed by the end of the year.

WARD(S) AFFECTED: (All Wards);