

Report to Audit Committee

Agenda
Item:

A.5

Meeting Date: 22 December 2016
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework: Yes
Public

Title: Internal Audit Progress Report 2016-17
Report of: Chief Finance Officer
Report Number: RD45/16

Purpose / Summary:

This report summarises the work carried out by Internal Audit and details progress against Audit Plans for 2015/16 and 2016/17.

Recommendations:

Members are requested to:

- Note the progress on the remainder of 2015/16 Audit Plan and progress on the 2016/17 Audit Plan - see Section 2
- Receive finalised audit reports – see Section 4

Tracking

Audit Committee	22 December 2016
Overview and Scrutiny:	Not applicable
Council:	Not applicable

1 BACKGROUND

- 1.1 Management is responsible for establishing effective systems of governance, risk management and internal controls. It is the responsibility of management to establish appropriate arrangements to confirm that their systems are working effectively; that all information within them is accurate; and that they are free from fraud or error.
- 1.2 Internal Audit's role is to provide independent assurance to senior management and Audit Committee over the adequacy and effectiveness of management's arrangements for governance, risk management and internal control.
- 1.3 This report summarises the work carried out by Internal Audit in the latest period.

2 PROGRESS AGAINST AUDIT PLANS

2015/16 PLAN

- 2.1 The remaining 2 risk-based reviews (Overtime and Enterprise Centre) have now been finalised and these reports are included as separate agenda items.
- 2.2 The follow up review of Homeworking is ongoing but is subject to reviewing evidence recently provided by management to confirm that the agreed action plan has been implemented.

2016/17 PLAN

- 2.3 The 2016/17 Annual Risk Based Audit Plan was agreed by the Audit Committee on 19 April 2016 – report RD 01/16 refers.
- 2.4 A summary of the overall 2016/17 plan position is included at **Appendix A** for information.
- 2.5 Management.

3 INTERNAL AUDIT PERFORMANCE MEASURES

- 3.1 Performance measures for Internal Audit are included at **Appendix B** for information.

3. COMPLETED AUDIT WORK

3.1. Final Audit Reports

CARLISLE CITY COUNCIL
AUDIT PLAN 2016/17

Directorate	Audit Area	Allocated Days	Status	Audit Committee Date	Assurance Evaluation	Comments
Corporate	Physical security of premises	15	Ongoing			
Corporate	Performance management	20	Ongoing			
Corporate	Information Governance	20	Ongoing			
Chief Executive's Team	Communication	20	Final	Dec 2016	Substantial	
Deputy Chief Executive's Team	Arts Centre	20				
Economic Development	Development Control	20	Draft issued			
Economic Development	Disabled Facilities Grants (DFG's)	20	Ongoing			
Local Environment	Waste management	20	Ongoing			
Local Environment	Education and Enforcement - brought forward from 2015/16 audit plan so days not from 16/17 plan	20	Deferred	Sept 2016		Committee agreed to management's request to defer this review until 2017/18 audit plan
Local Environment	Car park income	20	Ongoing			
Local Environment	Health and Safety	20				
Governance	Asset acquisition and disposal programme	20				
Governance	Electoral Registration	15	Final	Dec 2016	Reasonable	
Governance	Licensing	15	Final	Sept 2016	Reasonable	
Resources	Early Release (ER) & Voluntary Redundancy (VR) Schemes	20	Ongoing			

Cyclical review	Treasury Management	20	Final	Sept 2016	Substantial	
Cyclical review	Income collection & receipting	20	Ongoing			
Cyclical review	NNDR	20	Ongoing			
Cyclical review	Corporate Governance – compliance with Local Code	20				
Resources	Procurement (audit deferred from 2015/16) audit	10	Ongoing			
Other work						
Corporate	Counter fraud support – National Fraud Initiative	15				
Follow up audits	Provision for follow ups	10				
	Main financial systems – additional assurance work	10				

APPENDIX B

Internal Audit Management Performance Measures

KPI	Measure of Assessment	Target	Actual Performance (to 30 Nov 2016)	Comments
Planned audits completed	% of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year.	95% of overall plan	On target	There are 19 audits in the revised 2016/17 plan, excluding follow ups. 5 draft/final reports issued (26% of plan) 10 audits in progress (53%)
Audit scopes agreed	% of audit scopes agreed with management and issued before commencement of the audit fieldwork	100%	On target	100% Scoping meetings are held for all planned audit assignments and client notifications are produced for each.
Draft reports issued by agreed deadline	% of draft internal audit reports issued by the agreed deadline or formally approved revised deadline agreed by Audit Manager and client.	80%	40%	Of 5 draft reports issued, 2 were issued by the agreed deadline (40%) 2 of those outside the draft report deadline were issued within approximately a week of deadline.

KPI	Measure of Assessment	Target	Actual Performance (to 30 Nov 2016)	Comments
Timeliness of final reports	% of final internal audit reports issued for Corporate Director comments within 8 working days of management response or closeout.	80%	100%	100% In most cases the Corporate Director is involved in the closeout meeting and completion of action plan so their response is provided with the action plan.
Recommendations agreed	% of recommendations accepted by management	95%	86%	6 of 7 recommendations accepted – 2016/17 plan
Assignment completion	% individual reviews completed to required standard within target days	50%	75%	For 4 completed reviews, 3 have been completed within budget days.
Quality Assurance checks completed	% QA checks completed	100%.	100%	Independent QA checks have been applied at agreed stages of all audits
Post audit customer satisfaction survey feedback	% of customer satisfaction surveys scoring the service as 'good'	80%	83%	This is based on 8 completed surveys for audits finalised since July 2016.
Efficiency	% chargeable time	80%	80%	This is measured across the Shared Service overall and is not specific to any single participant.