

AUDIT COMMITTEE

27 June 2016

REPORT OF THE HEAD OF FINANCIAL SERVICES – DAVID REES

SECTION B – MATTERS FOR INFORMATION

WARDS AFFECTED - ALL

Internal Audit Service – Progress Report to 31st May 2016

1. Purpose of the report

To provide details of the work undertaken for the period from 1st March to 31st May 2016 and an update on progress against the 2016/17 Internal Audit Plan.

2. Background

- 2.1. One of the terms of reference of this Committee is to ‘monitor internal (and external) audit performance’. In order to comply with this requirement to monitor the in-house service, a progress report is given below outlining internal audit work undertaken in the last quarter. This work is then set against the original Internal Audit Plan to show what progress has been achieved against that plan.
- 2.2. In addition, information is provided for members on the current position regarding staff vacancies and other staffing issues within the section.

3. Audit Assignments Completed

- 3.1. A total of 17 formal audit reports have been issued since 1st March 2016 in line with normal distribution guidelines.
- 3.2. The following is a summary list of the reports that have been issued:
 - 4 Primary Schools
 - 2 Comprehensive Schools
 - Bank Reconciliation

- Deprivation of Liberty Safeguards
- NNDR (National Non Domestic Rates)
- Unofficial Funds – Schools merging to form Ysgol Bae Baglan
- Housing Benefits
- Payroll
- Council Tax
- Support & Resettlement Service
- POVA (Protection of Vulnerable Adults)
- DBS (Disclosure & Barring Service) Sample Checks
- Officers' Interests

3.3. Attached as Appendix 1 to this report is a full list of the reports along with a brief summary of their findings.

3.4. In addition to the above, Internal Audit continues to carry out post audit reviews (follow ups) on all the planned audits carried out.

3.5. There are no issues in terms of the post audit reviews that need to be brought to Members' attention.

4. Progress against the Audit Plan

4.1. Appendix 2 gives details of the work carried out to date against the 2016/17 audit plan.

4.2. There are currently 3 special investigations in progress.

5. Update on Risk Management Process

At the last Audit Committee, members were presented with details of the Council's new Risk Management Policy and the role to be played by Audit Committee. The following is an update on how the process is operating and provides a draft training session for members to comment on and which will then be delivered at the September Committee meeting.

The Corporate Risk Registers and Directorate Risk Registers are now in place and have been fully populated. Officers from Corporate Strategy and Finance who have been tasked with

monitoring the process have visited each Directorate Senior Management Team to ensure that the directorate registers are being maintained and that their elements of the Corporate Risk Register has been updated. These visits will continue on a quarterly basis to review the process.

Following each quarterly review, the updated Corporate Risk Register will be reported to Corporate Directors' Group (CDG); the first quarterly report to CDG will be on 28th June 2016. Every six months, the updated Corporate Risk Register will be reported to Cabinet and the first such report is due to go in September 2016.

Now that the process is in place and operational, the Audit Manager is able to prepare a work programme and to audit the process and this will be presented to Audit Committee for review in September.

Draft Training Session for Audit Committee Members

1. **Corporate/directorate risk registers** – View the registers and gain an understanding of how they are put together
 2. **Scoring system**
 3. **Review and reporting process**
 4. **New and obsolete risks**
 5. **Risk Analysis**
 6. **Internal Audit Review**
 7. **Role of Cabinet**
 8. **Links to other plans/processes**
6. **Staffing**

One part time auditor has recently commenced her maternity leave and it is not anticipated that she will be back in work this financial year.

Appendices

Appendix 1 – Published Reports

Appendix 2 – Audit Plan Monitoring 2015/16

List of Background Papers

Audit Files

Wards Affected

Not Applicable

Officer Contact

David Rees – Head of Financial Services

Tel No: 01639 763634

E-mail: d.rees1@npt.gov.uk

Anne-Marie O'Donnell – Audit Manager

Tel No: 01639 763628

E-mail: am.odonnell@npt.gov.uk