

# AUDIT SCRUTINY COMMITTEE

**CHAIRMAN:** Cllr Chris Clarence

**DATE:** 12 September 2017

**REPORT OF:** Audit Manager

**SUBJECT:** INTERNAL AUDIT QUARTERLY PROGRESS REPORT

## PART I

### RECOMMENDATION

To note the report.

#### 1. PURPOSE

- 1.1 To advise members of recent progress against the Audit Plan and the outcomes of completed audits.

#### 2. BACKGROUND

- 2.1 The Audit Plan is approved by the Audit Scrutiny Committee in March annually and progress is reported at every meeting thereafter.
- 2.2 Internal audit reviews lead to an opinion on the effectiveness of the framework of risk management, control and governance of the area under review. Assurance opinions are graded as follows:

<b>Excellent</b>	☆☆☆☆	The areas reviewed were found to be well controlled, internal controls are in place and operating effectively. Risks against achieving objectives are well managed.
<b>Good</b>	☆☆☆	Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some areas for improvement have been identified.
<b>Fair</b>	☆☆	There is a basic control framework in place, but most of the areas reviewed were not found to be adequately controlled. Generally risks are not well managed and require controls to be strengthened to ensure the achievement of system objectives.
<b>Poor</b>	☆	Controls are seriously lacking or ineffective in their operation. No assurance can be given that the system's objectives will be achieved.

### 3. AUDIT PLAN 2017-2018 – Progress at 12 September 2017

<b>PROJECT</b>	<b>STATUS</b>	<b>OPINION</b>
Governance Review and AGS	<b>Complete</b>	<b>Good</b>
Housing Enforcement	<b>Complete</b>	<b>Good</b>
Planning	<b>Draft Report Issued</b>	-
LAHS Housing Data Return	<b>Complete</b>	<b>Good</b>
Corporate Purchasing Cards	<b>Complete</b>	<b>Good</b>
Coastal Monitoring Programme	<b>In Progress</b>	-
Safeguarding	-	-
Community Infrastructure Levy	<b>In Progress</b>	
Emergency Planning & Business Continuity	-	-
Election Fees Review	-	-
Health and Safety	-	-
Building Control	<b>In Progress</b>	
Crime and Disorder Partnership (Grant Claim)	-	-
Economic Development	-	-
Information Governance & Cyber Risk	-	-
Risk Register	-	-
Council Tax	-	-
Benefits and Council Tax Support	-	-
Income and Banking	-	-
Creditor Payments	-	-
Debtors	-	-
Main Accounting and Budgetary Control	-	-
NDR (Business Rates)	-	-
Treasury Management	-	-
Payroll	-	-
Review of P-PERS Flexitime System	<b>Draft Report Issued</b>	-

Summarised findings for audits recently completed is shown in **Appendix A** below.

#### 4. CONCLUSION AND RECOMMENDATION

- 4.1 So far in this audit cycle, 4 audits have been completed, 2 draft reports have been issued and 3 audits are in progress. There have been no Fair or Poor assurances. Generally, controls were found to be in place and risks well managed for the areas examined.
- 4.2 Members are recommended to note the report.

##### **Sue Heath - Audit Manager**

<b>Wards affected</b>	<i>N/A</i>
<b>Contact for any more information</b>	<i>Sue Heath – Audit Manager – 01626 215258</i>
<b>Background Papers (For Part I reports only)</b>	<i>Audit Files and Final Reports File 2017 – 2018</i>
<b>Key Decision</b>	<i>N</i>
<b>In Forward Plan</b>	<i>N</i>
<b>In Audit Scrutiny Work Programme</b>	<i>Y</i>

**TEIGNBRIDGE DISTRICT COUNCIL  
AUDIT SCRUTINY COMMITTEE**

**Summary of Internal Audits Completed from April 2017**

PROJECT TITLE	SUMMARY
<p><b>Governance Review and Annual Governance Statement (AGS)</b></p> <p><b>Audit Opinion: Good ☆☆☆</b></p>	<p>Reported in detail at the July meeting.</p> <p>The AGS has been recommended for approval at Full Council 25 September 2017.</p>
<p><b>Housing Enforcement</b></p> <p><b>Audit Opinion: Good ☆☆☆</b></p>	<p>This audit was requested by the Housing Business Manager to provide assurance over arrangements for enforcement of the legal obligations Councils have to regulate standards in properties. The review considered the following risks:</p> <ul style="list-style-type: none"> <li>• Inadequate Policy and Procedures;</li> <li>• Legislation and Regulation requirements not met;</li> <li>• Appropriate enforcement action not taken or timely;</li> <li>• Data and system unreliable / insecure.</li> </ul> <p>Management of the function was generally found to be well controlled. Recommendations were made regarding update of Policy and Procedures for the new and forthcoming legislation changes, setting up of a monitoring system to regularly examine a sample of enforcement cases to ensure consistency, timeliness and reported in line with policy statement, review of data storage, retrieval and recording and clarification on the land charge process to ensure accuracy and completeness.</p>
<p><b>LAHS Housing Data Return</b></p> <p><b>Audit Opinion: Good ☆☆☆</b></p>	<p>Local Authority Statistics on Housing are submitted annually to the DCLG. This audit, requested by the Housing Business Manager, verified the accuracy of data prior to submission.</p> <p>The auditor was satisfied that all fields of the return had been completed with data that could be verified to the systems from which it was derived; that calculation methodologies were correct; and final figures were accurate.</p>

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<p><b>Corporate Purchasing Cards</b></p> <p><b>Audit Opinion: Good ☆☆☆</b></p>	<p>A review of spending (probity check) and controls to manage and reconcile card use was undertaken. Areas covered included:</p> <ul style="list-style-type: none"> <li>• authorisation of cardholders;</li> <li>• cancellation procedures;</li> <li>• access rights to online facilities;</li> <li>• credit limits;</li> <li>• approved goods and services purchased; and</li> <li>• separation of duties and reconciliation processes.</li> </ul> <p>Findings confirmed that processes were generally sound and key risks well managed.</p>