

# AUDIT SCRUTINY COMMITTEE

**CHAIRMAN:** Cllr Chris Clarance

**DATE:** 14 December 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 14 December 2017

PROJECT	STATUS	OPINION
Governance Review and AGS	Complete	Good
Housing Enforcement	Complete	Good
Planning	Complete	Good
LAHS Housing Data Return	Complete	Good
Corporate Purchasing Cards	Complete	Good
Coastal Monitoring Programme	In Progress	-
Safeguarding	-	-
Community Infrastructure Levy	Complete	Good
Emergency Planning & Business Continuity	-	-
Election Fees Review	-	-
Health and Safety	In Progress	-
Building Control	Complete	Good
Crime and Disorder Partnership (Grant Claim)	-	-
<del>Economic Development</del> Teign Estuary	TOR Completed	-
Information Governance & Cyber Risk	-	-
Risk Register	-	-
Council Tax	-	-
Benefits and Council Tax Support	-	-
Bacs / Smarter Pay (Income and Banking)	In Progress	-
Creditor Payments	In Progress	-
Debtors	-	-
Main Accounting and Budgetary Control	-	-
NDR (Business Rates)	-	-
Treasury Management	In Progress	-
Payroll	-	-
Register of Interests, Hospitality and Gifts	Complete	Good

- 3.1 The audit of Economic Development has been substituted with a requested review of the Teign Estuary Partnership
- 3.2 Summarised findings for audits recently completed is shown in **Appendix A** below.

#### 4. CONCLUSION AND RECOMMENDATION

- 4.1 Audit plan progress is steady with 8 audits completed, 5 in progress, and the remainder scheduled for Quarter 4. 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>

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**Summary of Internal Audits Completed this Quarter**

PROJECT TITLE	SUMMARY
<p><b>Planning</b></p> <p><b>Audit Opinion:</b> Good ☆☆☆</p>	<p>The audit covered the following key risks:</p> <ul style="list-style-type: none"> <li>• Regulatory requirements, performance targets and best practice expectations are not met</li> <li>• Planning enquiries, applications, appeals and complaints are not determined in line with Council policy or statutory requirements</li> <li>• Income is not collected</li> </ul> <p>Generally a sound control environment was evidenced, with a good framework in place to enable appropriate and independent decisions to be made. Recommendations included monitoring of enforcement complaints and action, to ensure these are progressed as promptly as they should be.</p>
<p><b>Register of Interests, Hospitality and Gifts</b></p> <p><b>Audit Opinion:</b> Good ☆☆☆</p>	<p>The Council and its staff must ensure that actions taken are never influenced, or give the appearance of being influenced, by personal interests. The objectives of the review were to evaluate the processes for administering and managing Registers to ensure risks are managed.</p> <p>It was recommended that a review of the process for managing declarations is undertaken to ensure requirements are clear. The values for acceptable hospitality and gifts differ between Officers and Members so it was suggested that consideration be given to making the amounts the same.</p>
<p><b>Community Infrastructure Levy</b></p> <p><b>Audit Opinion:</b> Good ☆☆☆</p>	<p>A review was carried out to check the action of recommendations and progress on the Exacom system implementation. Dual running is being carried out during November and December with regular checks and reconciliations continuing to ensure records balance and information accurate. Following success of this the system will “go-live” in January 2018. Strata are continuing work to enable payments via Exacom.</p> <p>A further audit is planned after April 2018 and will include review of procedures, testing of a sample of applications to ensure the levy is calculated accurately, entitlement to reliefs and exemptions is correct and adequate collection and enforcement processes in place.</p>



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<p><b>Follow Up Audits</b> The effectiveness of audits is increased if agreed actions are implemented. The audit cycle therefore allows for a follow up check to be undertaken on any important recommendations a few months after the each audit (or at an appropriate time depending on the agreed date for action). Details of completed follow ups are shown below:</p>	
<p><b>Albany House</b></p> <p>Audit Opinion: Good ☆☆☆</p>	<p>Original audit: January 2017</p> <p>Followed up: November 2017</p> <p><b>10 of 12 recommendations actioned and implemented. 2 remain on-going.</b></p>
<p><b>Risk Management</b></p> <p>Audit Opinion: Good ☆☆☆</p>	<p>Original audit: May 2017</p> <p>Followed up: November 2017</p> <p><b>Recommendations actioned and implemented.</b></p>
<p><b>Car Park Permits</b></p> <p>Audit Opinion: Good ☆☆☆</p>	<p>Original audit: November 2016</p> <p>Followed up: June 2017</p> <p><b>16 out of 28 recommendations implemented - the remainder in progress.</b></p>