

*Internal Audit Progress Report*  
*Update to the Finance, Audit and*  
*Performance Committee on Internal Audit*  
*Activity*

*August 2015*

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<b>Distribution list</b>	Finance Audit and Performance Committee, Executive Team
<b>Background and scope</b>	The purpose of this report is to provide a progress update on the agreed 2015/16 internal audit plan.

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# Plan outturn

## *2015/16 Audit Plan*

During the first few months of the new internal audit contract the internal auditors have been engaging with senior officers at the Council to build on their knowledge and understanding of the council and its operations. In addition work has been undertaken to plan and scope some reviews and internal audit has attended a number of meetings at the council such as CDMT, Project Forum and Service Managers meetings. Internal audit has also conducted a training session for members of the Finance Audit and Performance Committee in conjunction with the council's external auditor.





Although at this stage there is little internal audit activity to report, this report has been included to illustrate to the committee and the council's executive the way in which internal audit will report to future meetings on progress against the audit plan.

Some work has been undertaken in accordance with the 2015/16 Internal Audit Plan that was approved by the Finance, Audit and Performance Committee at its meeting in August 2015.

A statement tracking assignments undertaken and planned activity is shown in Appendix One. At the time of writing this report we have completed 9 days (8%) of the planned audit days. Work will increase in the next few months and internal audit will continue to keep members informed of progress.

# Activity and Progress

*This section will provide a summary of all final reports issued since the previous Committee meeting.*

<i>Ref</i>	<i>Name of audit</i>	<i>Conclusion</i>	<i>Date final report issued</i>	<i>No of recommendations made</i>			
							
				<b>Critical</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>

We will summarise the main findings from these final reports below:

### *Fieldwork and draft reports*

This section will summarise all draft reports issued and highlight where fieldwork or other audit activity has commenced. As at the date of preparing this report, no draft reports have been issued.

Work is progressing in the following areas:

- Project Management – Internal audit has attended a meeting of the Project Forum and discussed monitoring and reporting arrangements and provided examples of management information reporting. Meetings have been held with project managers for the majority of the council's major projects.
- Safeguarding – scoping meeting held and terms of reference agreed.
- Building Control Service – scoping meeting held and terms of reference issued.

### *Other activity*

Internal audit has also reviewed the Council's Risk Management framework and Project Management framework and provided feedback on each. Internal audit has also conducted a training session for members of the Finance Audit and Performance Committee in conjunction with the council's external auditor.

# Appendix 1 - Internal audit detailed progress tracker

This table will be completed in full for future meetings

<i>Ref</i>	<i>Auditable unit</i>	<i>Indicative number of days*</i>	<i>Actual audit days to date</i>	<i>Scoping meeting date</i>	<i>Proposed fieldwork dates</i>	<i>Proposed draft report date</i>	<i>Proposed management response date</i>	<i>Proposed final report date</i>	<i>Audit Committee reporting date</i>
A1	Finance Systems	20	0		Q3				March 2016
A2	Medium Term Financial Strategy	5	0		Q3				March 2016
A5	Corporate Governance and Risk Management	7	0		Q3				February 2016
A6	Partnerships / Joint Arrangements	5	0		Q4				May 2016
A7	Project Management	15	5		Q2 / Q4				October 2015 March 2016
A14	Safeguarding	10	1	August 2015	September 2015				December 2015
B1	Housing Rents	5	0		Q4				May 2016
B2	HRA Investment Plan	5	0		Q2				February 2016



\* *Where appropriate and in agreement with client management, we are able to flex our audit service to include more senior or specialist staff to respond to the risks generated by audit reviews. Where we do this we effectively agree a fixed fee for the audit work which is derived from the combined fees of the planned audit days allocated to this audit review during the annual planning process.*



## Appendix 2 – Outstanding audit actions – TrAction report

Audit Title	Finding Heading	Finding Rating	Action Reference	Agreed Action	Action Status	Responsible People	Implementation Deadline	Days Overdue	Status
CWAS - Brought forward issues	<a href="#">Homelessness - Orchard system</a>	Advisory	New	Council should review the effectiveness of the Orchard system for the homelessness service	Open	Jo Wykes	01/01/2012	1325	Outstanding
CWAS - Brought forward issues	<a href="#">Reports</a>	Advisory	New	Management should monitor how the reporting tool is utilised on the IKEN system and ensure that reports that are required are fully utilised.	Open	Julie Stay	30/11/2013	626	Outstanding
CWAS - Brought forward issues	<a href="#">VOA and CT System Reconciliation</a>	Advisory	New	The discrepancies should be investigated and rectified.	Open	Leigh Butler, Sally O Hanlon, Storme Coop, Sue Williams	31/03/2014	505	Updated 24/7 but still outstanding
CWAS - Brought forward issues	<a href="#">Procedure notes</a>	Advisory	New	Consideration should be given for another person within the HR/Payroll Section to follow the procedure notes to ensure that the payroll could be processed in the absence of the Payroll Assistant.	Open	Julie Stay	30/09/2014	322	Updated 18/8 still ongoing

CWAS - Brought forward issues	<a href="#">R5</a>	Advisory	New	The Council should ensure that reminders to managers from HR to hold formal Stage 1 meetings should be escalated without delay to senior officers. Managers should be reminded that following formal meetings, a copy of the letter sent to staff should go to HR.	Open	Julie Stay	31/03/2015	140	Outstanding
CWAS - Brought forward issues	<a href="#">R6</a>	Advisory	New	Managers should be reminded that failure to manage members of their team in accordance with the Framework could be viewed as a disciplinary issue given the serious implications of such a failure.	Open	Julie Stay	31/03/2015	140	Outstanding
CWAS - Brought forward issues	<a href="#">Integrator System Administration</a>	Advisory	New	An Integrator Systems Administrator should be nominated and consideration given to sourcing training to enable them to input data into the system and to extract information for planning and budgeting purposes.	Open	Julie Kenny	30/04/2015	110	Some progress but still outstanding
CWAS - Brought forward issues	<a href="#">3.4 COB/SLB reporting</a>	Advisory	New	The template used for reports that are submitted to COB or SLB should include a requirement for the report author to specifically consider IG implications	Open	Julie Kenny	30/04/2015	110	Outstanding
CWAS - Brought forward issues	<a href="#">Key register</a>	Advisory	New	A key register should be maintained, and staff should be required to sign for keys in their possession.	Open	Ian Pinfold	31/05/2015	79	Some progress but still outstanding

CWAS - Brought forward issues	<a href="#">Stock Condition Data</a>	Advisory	New	a) An exercise should be carried out to ensure that all planned major works have been correctly recorded on the Integrator System. b) Reconciliations of the two systems should be carried out on a regular basis.	Open	Julie Kenny	30/06/2015	49	Some progress but still outstanding
CWAS - Brought forward issues	<a href="#">Assurance processes</a>	Advisory	New	An assurance process should be introduced to review samples of officer assessments of applications and banding decisions, allocations to properties and nominations to Housing Associations.	Open	Jo Wykes	31/07/2015	18	Outstanding
CWAS - Brought forward issues	<a href="#">Comparative management review</a>	Advisory	New	Comparative information about annual numbers of applications received or allocations made between years should be collected for performance management purposes and to enable review of individual officers. It would be helpful if workload could be tracked and an Indicator of complexity of caseload devised.	Open	Jo Wykes	31/07/2015	18	Outstanding
CWAS - Brought forward issues	<a href="#">Compliance with policies around advertising properties</a>	Advisory	New	Management information should be produced to enable officers to monitor the advertising of vacancies to ensure that the policies relating to the advertising of properties in the sub-region are adhered to.	Open	Jo Wykes	31/07/2015	18	Outstanding

# Appendix 3 -Thought leadership publications

As part of the regular reporting to you we plan to keep you up to date with emerging thought leadership published by PwC. The PwC Public Sector Research Centre produces a range of research and is a leading centre for insights, opinion and research on best practice in government and the public sector.

All publications can be read in full at [www.psrc.pwc.com/](http://www.psrc.pwc.com/)

## ***Delivering growth: Where next for Local Enterprise Partnerships?***

Local Enterprise Partnerships (LEPs) in England have come a long way since their inception in 2010. The LEPs may all have started out from different points and evolved at different speeds, but as a group they are now firmly established as the lead agencies for promoting local growth. LEPs can't solve all the problems facing local economies but as a group, they have demonstrated they can make a difference.

The challenge ahead will be to see through their plans and programmes and deliver their economic strategies. Some of the LEPs, however, are arguably under-powered and under-resourced for the tasks they face and their immediate. Despite their varying capabilities and limited core funding they will all have to ensure that public and private funds are spent effectively and deliver results in terms of improved productivity and local economic growth.

Our Talking Points with the Smith Institute draws on interviews with 22 LEP leaders (mainly chairs and chief Executives) and a briefing event hosted at the LEP Annual Conference in March 2015 to explore 'where next' for Local Enterprise Partnerships.



## *Delivering the decentralisation dividend*

With decentralisation high on the agenda in the UK, our report *Delivering the decentralisation dividend* sets out the potential prize of decentralisation - good growth, public service reform and public engagement - and the barriers to be overcome if local places are truly to deliver the decentralisation dividend.

Our local government polling has found growing confidence behind decentralisation following the 2015 General Election, with a third of council chief executives and leaders now agreeing their council will have significantly more powers and responsibilities by 2020, up from 22% in March 2015.

Key barriers to decentralisation identified by local authorities include the sustained and growing financial pressures on councils, difficulty in establishing effective collaborative relationships with local government partners, and the requirement for a directly elected mayor.

To deliver on decentralisation, localities need to take a whole system approach and keep a keen focus on the outcomes that collaborative working can achieve, embracing 'decentralisation by design' to rethink public services and investment for growth across a place.

Key local institutions - local authorities, combined authorities and LEPs - need to ensure they have the leadership, capability, capacity and accountability in place to make their case to central government and to then deliver on their plans.

