REPORT FROM: AUDIT MANAGER	
TO:	**ACCOUNTS AND AUDIT COMMITTEE**
DATES:	**20th March 2018**

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INTERNAL AUDIT UNIT – PROGRESS REPORT

PURPOSE OF REPORT

1. The purpose of this report is to provide Members with an update on progress against the Internal Audit Plan for 2017/18 to the end of February 2018.

RECOMMENDATION

2. It is recommended that Members:-

   a) Note the progress made against the Audit Plan for 2017/18 set out at **Appendix A** and agree any adjustments.

REASONS FOR RECOMMENDATION

3. To ensure that Members are kept informed of the ongoing progress relating to the Internal Audit activity.

AUDIT PLAN 2017/18 UPDATE

4. The Internal Audit Plan for 2017/18 was drawn up using risk based analysis of the Council's systems and services and an estimate of staff leave and training requirements. The Plan currently comprises a total of 522 days audit time, a chargeable audit resource of 338 days and is estimated to provide risk coverage of 69% of all auditable systems.

5. In order to ensure Members are kept informed of progress made against the Plan, regular monitoring reports are submitted to this Committee for consideration.

6. Attached at **Appendix A** are details of the work completed on system audits by the Internal Audit Unit to February 2018. This provides a summary of the work performed and particulars of any significant issues that have arisen during this period. It can be reported that no "Limited Assurance" audit opinions have been issued.

7. 12 days have been allocated within the Audit Plan to review an aspect of the Leisure Trust's activity. Following discussion with the Trust's management an agreed programme of work for the current year is focused on the Customer membership scheme. This review is currently ongoing and output will form part of the established progress monitoring work of Internal Audit and the final report submitted to the Trust's Board.

8. The annual audit plan includes a provision for computer audit. Merseyside Internal Audit Agency (MIAA) has been engaged to provide such a provision on behalf of the Council. As mentioned in a previous report to this Committee the programme of work covers 3 areas;

   a) ICT Governance
   b) Cyber Security
   c) Asset Management

   Auditors from the agency have been onsite recently and spoken with key personnel (Council and Liberata) and have commenced reviews all three areas, the ICT Governance review is at draft stage and the other two are currently ongoing. Once completed it is envisaged that outcome of the reviews will be brought back to this Committee.

9. We don't expect any significant deviations to arise which may impact on the delivery of the audit plan. It is estimated that the audit plan will be delivered on time.

IMPLICATIONS

Policy: There are no policy implications arising directly from the contents of this report.

Financial: There are no financial implications arising directly from the contents of this report.

Legal: The Council has a statutory duty to carry out internal audit of its systems and services, however, there are no direct legal implications arising from this report.

Risk Management: There are no risk management implications arising directly from the contents of this report.

Health and Safety: There are no health and safety implications arising directly from the contents of this report.

Climate Change: There are no climate change implications arising directly from the contents of this report.

Community Safety: There are no community safety implications arising directly from the contents of this report.

Equality and Diversity: There are no equality and diversity implications arising directly from the contents of this report.

APPENDICES: **Appendix A** – Progress with the 2017/18 Audit Plan

APPENDIX A

INTERNAL AUDIT PROGRESS 2017/18 AUDIT PLAN

Table 1				
Audit Title	Assurance	Days Planned	Actual Days	Variation +/-
2017/18 AUDITS COMPLETED				
Homelessness	Full	7.0	7.0	0
Cemeteries	Substantial	7.0	7.0	0
Land Charges	Substantial	8.0	8.0	0
Town Centre Grants	Substantial	7.0	7.0	0
Car Mileage	Substantial	7.0	7.0	0
Engineering Contracts	Substantial	7.0	8.0	+1.0
Freedom of Information	Substantial	8.0	8.0	0
Land & Property	Substantial	10.0	10.0	0
Trade Waste	Substantial	8.0	8.0	0
Vehicle and Plant	Substantial	10.0	10.0	0
Health & Safety	Substantial	8.0	8.0	0
Licensing	Substantial	9.0	9.6	+0.6
Hackneys and Private Hire	Substantial	9.0	9.0	0
Recharges Under Public Health	Substantial	7.0	7.7	+0.7
Private Sector Housing Enforcement	Substantial	7.0	7.3	+0.3
Treasury Management	Substantial	9.0	9.5	+0.5
Elections and Electoral Reg.	Full	8.0	8.5	+0.5
Insurance	Substantial	8.0	8.0	0
Client Function	Substantial	9.0	10.0	+1.0
				+4.6

Table 2				
Audit Title	Target Month	Status	Days Planned	Actual Days to February 2018
2017/18 AUDITS IN PROGRESS				
Creditors and Purchasing	March 2018	Draft stage	13.0	13.5
Payroll	March 2018	Draft Stage	12.0	12.0
Leisure Trust	March 2018	Draft Stage	12.0	7.0
NNDR	March 2018	In progress	12.0	13.0
Council Tax	March 2018	In progress	13.0	13.0
Procurement	March 2018	In progress	8.0	8.0
Building Control Fees	March 2018	In progress	7.0	6.8
Staff Allowances	March 2018	In progress	7.0	6.0
Audits by Mersey Internal Audit Agency				
Information Governance	March 2018	Draft Stage		
Cyber Security	March 2018	In progress		
Asset Management	March 2018	In progress		

Table 3	
Audit Title	Days Planned
2017/18 AUDITS Still to commence	
Main Accounting	10.0
Housing Benefits	30.0
Income collection	10.0

Classifications

At the conclusion of each audit an overall opinion is given on the level of assurance which it is considered is provided by the controls in place within the audited system. The following classification of assurance levels has been adopted:

	Level	Definition
1.	Full Assurance	The controls appear to be consistently applied.
2.	Substantial Assurance	Evidence was identified to suggest that the level of non-compliance with controls may put some of the system objectives at risk.
3.	Limited Assurance	The level of non-compliance identified places the system objectives at risk.
4.	None	Significant non-compliance with controls was identified leaving the system vulnerable to error and abuse.