

SUBJECT:	Internal Audit: Progress Report
MEETING:	Governance Committee
DATE OF MEETING:	28 April 2014
REPORT OF:	Head of Southern Internal Audit Partnership
REPORT DATE:	21 March 2014

1 Opinion definitions

Opinion	Framework of governance, risk management and management control
Substantial assurance	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate Assurance	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited assurance	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No assurance	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

2 Status of 'live' reports:								
Audit title	Report date	Accountable Director	Audit Assurance		Management Actions (of which are 'high' priority)			
			Original	Current	Reported	Pending	Cleared	Overdue
Street Cleansing and Parks & Open Spaces	19/11/12	Place	Adequate	Adequate	14 (0)	0 (0)	14 (0)	0 (0)
Heating Charges	17/12/12	Place	Adequate	Adequate	6 (1)	0 (0)	5 (1)	1 (0)
Cash Collection & Banking	21/01/13	Corporate Services	Limited	Adequate	12 (5)	0 (0)	7 (5)	5 (0)
Sustainability (Use of Natural Resources / Carbon Reduction)	15/03/13	Place	Limited	Adequate	11 (9)	0 (0)	11 (9)	0 (0)
Estate Regeneration	26/04/13	Transformation & Performance	Adequate	Adequate	21 (16)	0 (0)	21 (16)	0 (0)
Development Management	26/04/13	Place	Limited	Adequate	7 (4)	0 (0)	5 (4)	2 (0)
Payroll	22/05/13	Corporate Services	Adequate	Adequate	7 (2)	0 (0)	7 (2)	0 (0)
Joint Commissioning - Children and Families	30/05/13	Corporate Services	Limited	Limited	13 (13)	0 (0)	13 (13)	0 (0)
Council Tax & NNDR	07/06/13	Corporate Services	Substantial	Substantial	2 (0)	1 (0)	1 (0)	0 (0)
Quality Assurance	18/07/13	People	Adequate	Adequate	15 (9)	2 (2)	11 (5)	2 (2)
Portage	13/09/13	People	Adequate	Adequate	6 (0)	0 (0)	6 (0)	0 (0)

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Audit title	Report date	Accountable Director	Audit Assurance		Management Actions (of which are 'high' priority)			
			Original	Current	Reported	Pending	Cleared	Overdue
Grants to voluntary organisations	10/10/13	Transformation & Performance	Adequate	Adequate	3 (2)	0 (0)	3 (2)	0 (0)
Neighbourhood wardens	22/10/13	People	Adequate	Adequate	7 (2)	1 (0)	0 (0)	6 (2)
School standards	25/10/13	People	Adequate	Adequate	5 (0)	0 (0)	0 (0)	5 (0)
Parking Services	13/11/13	Place	Adequate	Adequate	1 (0)	0 (0)	1 (0)	0 (0)
Southampton Day Services – Freemantle Community Centre	13/01/14	People	Adequate	Adequate	3 (2)	0 (0)	3 (2)	0 (0)
Accounts Payable	30/01/14	Corporate Services	Substantial	Substantial	1 (0)	1 (0)	0 (0)	0 (0)
Inventory Management	06/02/14	Corporate Services	Adequate	Adequate	1 (0)	1 (0)	0 (0)	0 (0)
Application Support	06/03/14	Corporate Services	Adequate	Adequate	5 (0)	5 (0)	0 (0)	0 (0)
Sholing Technology College	13/03/14	People	Adequate	Adequate	17 (4)	11 (1)	3 (1)	3 (2)

3 Executive summaries of new reports published where critical weaknesses or unacceptable levels of risk were identified:

There are no new reports that have identified critical or unacceptable levels of risk to the Council.

4 Internal Audit Performance

The internal audit service is measured against the following key performance targets:

Performance Targets – 21 March 2014		
	Target for Year (%)	Actual to Date (%)
% of revised plan delivered (including 2012/13 c/f)	95	93
Compliant with the Public Sector Internal Audit Standards 2013	Yes	Yes
% of positive customer responses to Quality Appraisal Questionnaire	90	98.2

5 Planning and Resourcing

The internal audit plan for 2013/14 was approved by the Council’s Management Team and the Governance Committee in April 2013. The audit plan has remained fluid to ensure internal availability to react to the changing needs of the Council. Progress against the plan is detailed within section 7

6 Fraud and Irregularities

Within the year we have assessed and where appropriate, advised, investigated or supported the investigation of four allegations of fraud, corruption or improper practice. Of these:

- 2 were investigated resulting in disciplinary action;
- 1 officer resigned during the course of the investigation;
- 1 remains on-going.

We have also continued to provide advice on other cases where required.

7 Rolling work programme

Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
2013 / 2014 Audit Plan (including carry forward)					
Health and Safety	✓	✓	✓	✓	14/10/13
Contract Management	✓	✓	✓	✓	04/12/13
Project management	✓	✓	✓	✓	22/07/13

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Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Portage	✓	✓	✓	✓	02/09/13
Contribution & Charging (Non-Residential Care Contributions)	✓	✓	✓	✓	10/07/13
Street Lighting PFI	✓	✓	✓	✓	09/09/13
Partnership arrangements	✓	✓			
Information Governance	✓	✓			
Human Resources	✓	✓	✓	✓	14/10/13
Gas Safety – Procurement	✓	✓	✓	✓	09/08/13
Business Continuity & Emergency Planning	✓	✓	✓		
Annual Governance Statement	N/A	✓	✓	✓	03/07/13
Precautions against fraud	N/A	✓	✓	✓	31/05/13
National Fraud Initiative	N/A	✓	N/A	N/A	N/A
Risk Management	✓	✓	✓	✓	27/01/14

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Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Effectiveness of the Role of Internal Audit	✓	✓	✓	✓	05/12/13
Housing rent collection	✓	✓	✓	✓	
Teachers Pensions - annual claim (TR17)	✓	✓	✓	✓	15/01/14
Employers Pensions (teachers and LGPS)	✓	✓	✓	✓	
Income Collection and Transactions	✓	✓	✓	✓	
Accounts Payable	✓	✓	✓	✓	30/01/14
Debtors process review	✓	✓	✓	✓	
NNDR	✓	✓	✓	✓	06/02/14
Payroll	✓	✓	✓	✓	
Housing Benefits (including Council Tax Reduction Scheme)	✓	✓	✓	✓	23/12/13
Application support	✓	✓	✓	✓	06/03/14
Change control	✓	✓			

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Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Inventory Management	✓	✓	✓	✓	06/02/14
Grants to voluntary organisations	✓	✓	✓	✓	10/10/13
Across Schools Thematic Review 1 (payroll)	✓	✓			
General school reviews – Bevois Town Primary School	✓	✓	✓	✓	
General school reviews – Fairisle Infant & Nursery School	✓	✓	✓	✓	07/02/14
General school reviews – St Monica Juniors	✓	✓	✓	✓	
General school reviews – Sholing Technology College	✓	✓	✓	✓	13/03/14
SFVS	✓	✓	✓	N/A	N/A
School standards	✓	✓	✓	✓	25/10/13
Data and performance management – Support Services	✓	✓	✓	✓	
Highways	✓	✓	✓	✓	26/03/13
Itchen Bridge	✓	✓			

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Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Parking Services	✓	✓	✓	✓	13/11/13
Neighbourhood wardens	✓	✓	✓	✓	22/10/13
Transformation of city services	✓	✓	✓	✓	
European Funding	✓	✓	✓	N/A	N/A
Delivery of statutory functions - Family Centres and children centres	✓	✓			
Client Monies Service	✓	✓			
PARIS	✓	✓	Advice/Consultancy role		
Reablement	✓	✓	✓	✓	
Learning and Development	✓	✓			
Fostering	✓	✓			
Public Health Contracts	✓	✓			
Public Health	✓	✓			

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Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
PUSH	✓	✓	✓	✓	25/06/13
Grant Claims – BEEMS Claim 2	✓	✓	✓	N/A	N/A
Grant Claims – BEEMS Claim 3	✓	✓	✓	N/A	N/A
Southampton Day Services – Freemantle Community Centre	✓	✓	✓	✓	13/01/14