



INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council
Internal Audit Progress Report: May 2014

1. Introduction

- 1.1 The assurances received through the Internal Audit programme is a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight the progress against the Internal Audit Plan up to the end of May 2014.

2. Purpose of Internal Audit

- 2.1 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to Internal Audit activity should lead to strengthening the control environment, and therefore contribute to the achievement of the organisation's objectives.
- 2.2 This is achieved through Internal Audit providing a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary.

3. Authority of Internal Audit

- 3.1 Internal Audit derives its authority from the Accounts and Audit Regulations 2011, the Internal Audit Charter and the Council's Constitution. The Financial Regulations, which are part of the Constitution, sets out that 'Internal Audit has authority to:
- a) enter any Council owned or occupied premises or land at all times (subject to any legal restrictions outside the Council's control);
 - b) have access at all times to the Council's records, documents and correspondence;
 - c) require and receive such explanations from any employee or member of the Council as he or she deems necessary concerning any matter under examination; and
 - d) require any employee or member of the Council to produce cash, stores or any other Council owned property under their control.
 - e) The Senior Auditor shall have access to, and the freedom to report in his/her name to all boards, members or officers, as he/she deems necessary.

4 Responsibility of Internal Audit

- 4.1 Internal Audit will have the responsibility to review, appraise and report as necessary on:
- a) the adequacy and effectiveness and application of internal controls and processes and systems;
 - b) the extent of compliance with Financial Regulations and Standing Orders and approved policies and procedures of the Council plus the extent of compliance with external laws and regulation; and
 - c) the extent to which the Council's assets and interest are accounted for and safeguarded from losses of all kinds arising from waste, inefficient administration, poor value for money, fraud or other cause.

5 Independence of Internal Audit

- 5.1 Internal Auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice.

Internal Auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that they believe in their work product and that no quality compromises are made.

- 5.2 If independence or objectivity is impaired in fact or appearance, the details of the impairment should be disclosed to senior management and the Audit and Governance Committee. There are no impairments to report to senior management and the Audit and Governance Committee for the current financial year.

6 Internal Audit Plan Update

- 6.1 A progress report against the 2014-15 Internal Audit plan is documented in Appendix A. Two audits are in progress and a further two are currently in the planning stage. During April and May, Internal Audit resources have been utilised to complete two audits (Payroll and ICT Security and Back Up Controls) from the 2013/14 audit plan. These audits took longer than originally forecast due to additional testing required by External Audit and due to the implementation of a new HR module which impacted on the payroll audit. It is unlikely that the target to complete five audits in Quarter 1 will be achieved.
- 6.2 An Executive Summary of all reports issued since the progress report issued in March 2014 are documented in Appendix B.

There have been two internal audit reports issued since February 2014 that have identified significant control weaknesses and will have a significant impact on the overall assurance opinion:

1. The Housing Maintenance audit concluded that internal controls are inadequate in all important aspects. The main areas identified for improvement were:
 - the 10% audit sample should be selected by the Responsive Repairs Manager or the Housing Repairs and Investment Team Manager when the In-house Repairs Team Leader is unavailable;
 - the In House Repairs Team Leader should check all orders raised by the Logistics Support Officer in addition to existing sampling of the materials audits undertaken;
 - all procurement card holders and suppliers should be reminded of the importance of quoting and recording the correct works order number for materials purchased;
 - the DLO Operatives should be reminded to quote the works order for materials ordered to replenish van stock;
 - the specification for the new mobile working system should include the capability to transfer details of materials ordered and used to the Capita Housing Maintenance system and should be introduced as soon as possible;
 - variation orders above £99 should be entered onto the Capita system by the authorising officer and a revised works order should be issued prior to completion of the additional work;
 - the backlog of historical post inspections should be cleared as soon as possible and procedures should be put into place to ensure post inspections are undertaken in a timely manner;
 - Housing Management should ensure that all rechargeable works are recorded and processed promptly;

- the Customer Services Centre and Housing Maintenance should review their internal procedures and flowcharts to ensure that all rechargeable jobs are properly identified and promptly processed especially non-voids;
- mileage claims should be checked by a different person to the authoriser;
- invoices, overtime and mileage claims should only be authorised by persons with an approved limit greater than the value of the document being approved for payment;
- the Responsive Repairs Manager should review the void property key signing in and out process to ensure that there is a complete audit trail of the entire process and to refine the documentation to remove unnecessary duplication in the process;
- all incidences of break-ins, unauthorised entry, theft, vandalism and/or sabotage to empty council properties should be reported to HR, Internal Audit, Housing Repairs and Investment Team Manager and the police (if appropriate) promptly after it has been identified;
- all incidences of break-ins, unauthorised entry, theft, vandalism and/or sabotage to empty council properties should be promptly investigated by the Planned Investment Manager and/or the Responsive Repairs Manager and the outcome reported to HR, Internal Audit and the Housing Repairs and Investment Team Manager;
- the Housing Repairs and Investment Team Manager should review the officers who are able to raise work orders and order materials and request a corporate authorisation limit for those who do not have one in place;
- the Customer Team Manager should review the list of officers able to raise works order and their limits and request a corporate authorisation limit for those who do not have one in place;
- the Housing Repairs and Investment Team Manager should review the list of procurement card holders and their limits and request a corporate authorisation limit for those who do not have one in place; and
- a procedure should be implemented to ensure that officers are not set up with the ability to raise works orders or with a procurement card until a corporate authorisation limit is in place.

A Task and Finish Group, chaired by the Director of Services, has been formed to oversee the implementation of the Internal Audit recommendations. 19 recommendations to improve the internal controls were made, 15 have been implemented by the department and the remaining four are on target to be implemented by the agreed date.

2. The Payroll audit concluded that internal controls require significant improvement. During the 2013/14 financial year, the Payroll Service was in transition from a partially-managed to a fully-managed outsourced service. The main areas identified for improvement were.
 - more care needs to be taken by Human Resources staff directly inputting into the Human Resources module;
 - more care needs to be taken by Exchequer Services staff collating payroll spreadsheet input and by Selima staff when inputting data;
 - Selima should provide evidence of their internal processes that ensure all data supplied by NWLDC is entered into the payroll system and accurately reflects the input received from NWLDC and any legislative requirements relating to the input;
 - the exception reports should be redesigned to ensure they are fit for purpose;

- the Senior Exchequer Services Officer and a Senior Human Resources Advisor should formally accept the Selima exception reports prior to authorisation of the submission of the BACS file making the payroll payments; and
- the draft service level agreement prepared by Selima should be redrafted with more performance targets identified. Until this happens it would be sensible to have formal recording of issues maintained by NWLDC and Selima with monthly exchange of such detail.

The payroll report was not issued until May 2014 and therefore none of the recommendations are yet due for implementation

- 6.3 The Internal Audit plan needs to be flexible in order to reflect current issues and resource requirements. There have been a number of changes to the Internal Audit plan approved in March 2014. An additional audit has been requested by the Head of Community Services in relation to the Sunbed Usage at the Leisure Centres and the Ethics and Governance audits have been merged into one. A number of audits have also been rescheduled for later periods; details are documented in Appendix A.

7 Internal Audit Recommendations

- 7.1 Internal Audit monitors and follows up all medium and high risk recommendations. Appendix C lists all outstanding recommendations along with a status update. Seven recommendations outstanding have not been implemented by the agreed target date. Non implementation of recommendations exposes the council to risks within the internal control environment as highlighted within the internal audit report.

8 Internal Audit Performance Indicators

- 8.1 Period 2 performance information for Internal Audit in relation to its team plan actions and performance indicators is documented in Appendix D.

9 Public Sector Internal Audit Standards (PSIAS) Action Plan Update

- 9.1 The agreed action plan to ensure conformance (where deemed necessary) with the PSIAS is documented in Appendix E, along with a status update. All of the actions are on target to be implemented by the agreed date.

2014/15 Audit Plan Progress: May 2014 (In-house Audit Team Audits)

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						H	M	L	A	
Business Rates Retention	Risk Based	6.0	0.0	Scheduled for Qtr 2						
Capital	Key Financial System	5.0	0.0	Scheduled for Qtr 2						
Cash and Bank	Key Financial System	6.0	0.0	Scheduled for Qtr 2						
Contracts and Procurement	Risk Based	6.0	0.1	Scheduled for Qtr 3						Moved from Quarter 1 at the request of the Head of Finance
Creditors	Key Financial System	8.0	0.0	Scheduled for Qtr 4						
Debtors	Key Financial System	8.0	0.0	Scheduled for Qtr 4						
Decent Homes Improvement Programme	Risk Based	10.0	0.0	Scheduled for Qtr 2						
Ethics	Assurance	0.0	0.0	Removed from plan						To be included within the Governance audit
Fraud	Assurance	8.0	0.1	Engagement Planning						
Governance & Ethics	Assurance	8.0	0.1	Engagement Planning						Audit now includes Ethics and number of days increased
Grant Income	Key Financial System	5.0	0.0	Scheduled for Qtr 4						
Housing – Other Capital Works	Risk Based	8.0	0.1	Scheduled for Qtr 2						Moved from Quarter 1 at the request of the Head of Housing
ICT Security/Back Up	Key Financial System	2.0	0.0	Scheduled for Qtr 4						
Information Sharing	Risk Based	6.0	0.0	Scheduled for Qtr 3						
Main Accounting	Key Financial System	8.0	0.0	Scheduled for Qtr 4						
Payroll	Key Financial System	8.0	0.0	Scheduled for Qtr 4						
Performance Management	Assurance	6.0	0.0	Scheduled for Qtr 2						
Planned Housing Maintenance	Risk Based	8.0	1.4	Audit in Progress						
Planning Policy/Local Plan	Risk Based	6.0	0.0	Scheduled for Qtr 2						
Rent Accounting	Key Financial System	8.0	0.0	Scheduled for Qtr 4						
Risk Management	Assurance	8.0	0.0	Scheduled for Qtr 3						
Sunbed Policy	Risk Based	4.0	0.3	Audit in Progress						Additional audit requested by the Head of Community Services.
Treasury Management	Key Financial System	6.0	0.0	Scheduled for Qtr 4						

EXECUTIVE SUMMARY OF AUDIT REPORTS ISSUED BETWEEN MARCH 2014 AND MAY 2014

Report	Portfolio Holder	Head of Service & Team Manager	Assurance Level	Areas for Improvement	Recommendations			
					H	M	L	A
Housing Maintenance	Housing	Head of Housing Repairs and Investments Team Manager	Grade 4	<p>The 10% audit sample should be selected by the Responsive Repairs Manager or the Housing Repairs and Investment Team Manager when the In-house Repairs Team Leader is unavailable.</p> <p>The In House Repairs Team Leader should check all orders raised by the Logistics Support Officer in addition to existing sampling of the materials audits undertaken.</p> <p>All procurement card holders and suppliers should be reminded of the importance of quoting and recording the correct works order number for materials purchased.</p> <p>The DLO Operatives should be reminded to quote the works order for materials ordered to replenish van stock.</p> <p>The specification for the new mobile working system should include the capability to transfer details of materials ordered and used to the Capita Housing Maintenance system and should be introduced as soon as possible.</p> <p>Variation orders above £99 should be entered onto the Capita system by the authorising officer and a revised works order should be issued prior to completion of the additional work.</p> <p>The backlog of historical post</p>	19	-	-	-

			<p>inspections should be cleared as soon as possible and procedures should be put into place to ensure post inspections are undertaken in a timely manner.</p> <p>Housing Management should ensure that all rechargeable works are recorded and processed promptly.</p> <p>The Customer Services Centre and Housing Maintenance should review their internal procedures and flowcharts to ensure that all rechargeable jobs are properly identified and promptly processed especially non-voids.</p> <p>Mileage claims should be checked by a different person to the authoriser.</p> <p>Invoices, overtime and mileage claims should only be authorised by persons with an approved limit greater than the value of the document being approved for payment.</p> <p>The Responsive Repairs Manager should review the void property key signing in and out process to ensure that there is a complete audit trail of the entire process and to refine the documentation to remove unnecessary duplication in the process.</p> <p>All incidences of break-ins, unauthorised entry, theft, vandalism and/or sabotage to empty council properties should be reported to HR, Internal Audit, Housing Repairs and Investment Team Manager and the police (if appropriate) promptly after it has been identified.</p> <p>All incidences of break-ins, unauthorised entry, theft, vandalism and/or sabotage to empty council properties should be promptly investigated by the Planned</p>				
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				<p>Investment Manager and/or the Responsive Repairs Manager and the outcome reported to HR, Internal Audit and the Housing Repairs and Investment Team Manager.</p> <p>The Housing Repairs and Investment Team Manager should review the officers who are able to raise work orders and order materials and request a corporate authorisation limit for those who do not have one in place.</p> <p>The Customer Team Manager should review the list of officers able to raise works order and their limits and request a corporate authorisation limit for those who do not have one in place.</p> <p>The Housing Repairs and Investment Team Manager should review the list of procurement card holders and their limits and request a corporate authorisation limit for those who do not have one in place.</p> <p>A procedure should be implemented to ensure that officers are not set up with the ability to raise works orders or with a procurement card until a corporate authorisation limit is in place.</p>				
Housing Rents	Housing	Head of Housing Housing Management Team Manager HRA Business Support Team Manager	Grade 2	<p>There should be thorough checking of collated lists of accounts submitted for write-off to avoid duplicate requests.</p> <p>The HRA Business Support Team Manager should undertake at least six monthly reviews of staff who have 'super user' access rights to confirm the continuing need for high level of access and provide written confirmation that the review has taken place.</p> <p>The user profile for Housing Maintenance users should not include</p>	3	-	-	-

				access to the Housing Rents module.				
Main Accounting	Corporate	Head of Finance Financial Team Manager	Grade 2	<p>Relevant procedural documentation should be reviewed and up-dated as necessary to ensure that all appropriate areas of operation are included.</p> <p>Reconciliations should be completed in a timely manner.</p> <p>The redundant users on the TOTAL LIVE system should be deactivated immediately. In addition, we would recommend that the Council introduces a formal process (e.g. a checklist) to ensure that details of all staff leaving the Council are communicated to relevant managers to ensure that system access is removed in a timely manner.</p> <p>The position regarding overall TOTAL LIVE systems administration should be clarified, and relevant training provided as necessary.</p> <p>The Finance Team should reintroduce the month end task checklists to help ensure that all relevant systems are kept up-to-date. The checklists should be reviewed by the Financial Team Manager to ensure that progress is maintained and to identify any issues arising.</p>	-	3	2	1
Creditors	Corporate	Head of Finance Financial Team Manager	Grade 2	<p>A reminder should be sent to all officers with responsibility for placing orders regarding the necessity to ensure the proper process is followed at all times. The Council could also consider drawing up procedures to cover 'emergency' orders to ensure these are only made when necessary and are correctly authorised etc.</p> <p>Further investigation should be undertaken to establish if / how the TASK system could be used to provide</p>	-	1	1	2

				<p>the required exception reports regarding payments to new suppliers, potentially duplicated payments, unrepresented cheques.</p> <p>Reconciliations should be completed in a timely manner.</p>				
Debtors	Corporate	Head of Finance Financial Team Manager	Grade 2	<p>The Recovery module of the TASK sundry debtors system should be introduced as soon as possible to enable more effective recovery procedures to NWLDC.</p> <p>Progress to enable Departments to assist with more stringent recovery action should be accelerated to enable such actions to be used in practice as soon as possible.</p> <p>The on-going review of aged debts should be continued for the foreseeable future or until all potential recovery avenues have been exhausted.</p> <p>The monitoring of debt collection performance should be undertaken on a regular basis to ensure that collection processes remain effective and to ensure that uncollected amounts are not allowed to accumulate.</p> <p>Reconciliations should be completed in a timely manner.</p>	2	1	1	-
Payroll	Corporate	Head of Finance Financial Team Manager Human Resources Team Manager	Grade 3	<p>More care needs to be taken by Human Resources staff directly inputting into the Human Resources module.</p> <p>More care needs to be taken by Exchequer Services staff collating payroll spreadsheet input and by Selima staff when inputting data.</p> <p>Selima should provide evidence of their internal processes that ensure all data</p>	5	-	-	-

				<p>supplied by NWLDC is entered into the payroll system and accurately reflects the input received from NWLDC and any legislative requirements relating to the input.</p> <p>The exception reports should be redesigned to ensure they are fit for purpose.</p> <p>The Senior Exchequer Services Officer and a Senior Human Resources Advisor should formally accept the Selima exception reports prior to authorisation of the submission of the BACS file making the payroll payments.</p> <p>The draft service level agreement prepared by Selima should be redrafted with more performance targets identified. Until this happens it would be sensible to have formal recording of issues maintained by NWLDC and Selima with monthly exchange of such detail.</p>				
ICT Security and Back Up Controls	Corporate	Head of Finance ICT Team Manager	Grade 2	<p>ICT Service Desk staff should only create a network user account on receipt of a properly authorised network access request and ensure that access rights are disabled for any user where notification is received that the user no longer requires network access.</p> <p>ICT Service Desk staff should disable the seventy eight accounts for users that no longer work for or with NWLDC staff and all Managers should be reminded of the need to inform ICT of all network users under their management who no longer require access to the data network.</p> <p>ICT in conjunction with Departmental managers should review the network access for staff under their control on an</p>	4	-	-	-

				<p>annual basis and the ICT Service Desk staff should ensure that managers authorise the required data areas for any user that has a change of role necessitating a variation in their access rights.</p> <p>The ICT Team Manager should expedite the introduction of the proposed revised backup arrangements and perform a disaster recovery test at the earliest opportunity.</p>				
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Recommendations Tracker – Outstanding High & Medium Recommendations

Report		Recommendation		Rating	Officer Responsible	Target Date	Status	Management Comments
2012/13 Reports								
13	Payroll	5	The outstanding processes for the activation of the suspense account functionality for payroll costing codes should be completed as soon as possible.	High	Financial Team Manager	April 2013 Revised date: October 2013 March 2014 June 2014	In Progress (overdue)	Financial Team Manager comments: We are currently testing this in a test version of the system.
		12	A policy should be produced detailing how salary sacrifice payments (car parking, annual leave etc.) will be dealt with during any absence where statutory payments are made.	High	Human Resources Team Manager	April 2013 Revised date: September 2013 December 2013 March 2014 June 2014	No Progress (overdue)	Human Resources Team Manager comments: It is recognised that an approach needs to be determined to manage salary sacrifice arrangements in these circumstances, but it should be noted that these occurrences are extremely rare and, in practice often need to be managed on the merits of the particular situation. Consequently, this policy has not been afforded a high work priority in the context of the other work being undertaken by the HR Team.
2013/14 Reports								
1	Development Control	1	The Development Control procedure notes should be updated to reflect current working practices.	Medium	Planning & Development Team Manager	June 2013 Revised Date: September 2013 March 2014	No Progress (overdue)	Planning and Development Team Manager comments : Work on updating the Development Management Procedure notes is underway but has not been completed due to continued sickness absence and the need to prioritise remaining resources on planning application work.
6	Risk Management	1	The NWLDC Risk Management Strategy created in 2009 should be reviewed for changes in structure, personnel and the	High	Head of Finance as Chair of RMG	January 2014 Revised	In Progress (overdue)	Head of Finance comments: Scheduled for discussion and Approval at PDG and Cabinet in July 2014

Report		Recommendation		Rating	Officer Responsible	Target Date	Status	Management Comments
			procedures contained therein.			Date: July 2014		
		2	Regular reports should be taken to the Cabinet and Audit Committees to provide assurance that risks are being managed appropriately.	High	Head of Finance as Chair of RMG	January 2014 Revised Date: July 2014	No Progress (overdue)	Head of Finance comments: This is incorporated in the revised Strategy and will start from Q1 2014/15
		3	The Corporate Risk Register Action Plan should be generated as set out in the Risk Management Strategy.	High	Head of Finance as Chair of RMG	January 2014 Revised Date: April 2014	No Progress (overdue)	Head of Finance comments: This is commencing through Q1 2014/15 reports.
10	Housing Maintenance	5	The specification for the new mobile working system should include the capability to transfer details of materials ordered and used to the Capita Housing Maintenance system and should be introduced as soon as possible.	High	Project Officer (HRA BP)	August 2014	In Progress	
		8	Housing Management should ensure that all rechargeable works are recorded and processed promptly by passing the relevant information to the HRA Business Support Team in order for them to raise a Sundry Debtors invoice.	High	Housing Management Team Manager	July 2014	In Progress	
		9	The Customer Services Centre and Housing Maintenance should review their internal procedures and flowcharts to ensure that all rechargeable jobs are properly identified and promptly processed especially non-voids	High	Repairs and Investment Team Manager Customer Services Team Manager	July 2014	In Progress	
		15	The Housing Repairs and Investment Team Manager should monitor the revised system for control of access to void properties to ensure that	High	Repairs and Investment Team Manager	June 2014	In Progress	

Report		Recommendation		Rating	Officer Responsible	Target Date	Status	Management Comments
			the security of the properties is not compromised.					
12	Main Accounting	4	As previously recommended as part of the 2012/13 audit of this area, the redundant users on the TOTAL system should be deactivated immediately. In addition, we would recommend that the Council introduces a formal process (e.g. a checklist) to ensure that details of all staff leaving the Council are communicated to relevant managers to ensure that system access is stopped in a timely manner.	High	Financial Team Manager / Senior Exchequer Services Officer / Accountant / ICT Team Manager	Immediate	No Progress (overdue)	Financial Team Manager comments: Awaiting comprehensive list of deactivated users from IT.
		5	The position regarding overall systems administration should be clarified, and relevant training provided as necessary.	Medium	Head of Finance	June 2014	In Progress	
15	Debtors	3	The on-going review of aged debts should be continued for the foreseeable future or until all potential recovery avenues have been exhausted.	High	Senior Exchequer Services Officer	April 2014 & Ongoing Revised July 2014	In Progress	Financial Team Manager comments: Ongoing Process
		4	The monitoring of debt collection performance should be undertaken on a regular basis to ensure that collection processes remain effective and to ensure that uncollected amounts are not allowed to accumulate.	Medium	Senior Exchequer Services Officer	April 2014 & Quarterly	In Progress	Financial Team Manager comments: Agreed that report will be produced quarterly- first due July 14.
16	Payroll	1	More care needs to be taken by Human Resources staff directly inputting into the Human Resources module.	High	Human Resources Team Manager	Immediate	In Progress	
		2	More care needs to be taken by Exchequer Services staff collating payroll overtime forms and spreadsheet input and by Selima staff when inputting overtime data.	High	Senior Exchequer Services Officer & Head of Finance	Immediate August 2014	In Progress	

Report		Recommendation		Rating	Officer Responsible	Target Date	Status	Management Comments
		3	Selima should provide evidence of their internal processes that ensure all data supplied by NWLDC is entered into the payroll system and accurately reflects the input received from NWLDC and any legislative requirements relating to the input; once these processes have finished Selima will notify NWLDC prior to authorisation of the submission of the BACS file making the payroll payments.	High	Head of Finance	August 2014	In Progress	
		4	The exception reports should be redesigned to ensure they are fit for purpose and the Senior Exchequer Services Officer and a Senior Human Resources Advisor should formally accept the revised Selima exception reports prior to authorisation of the submission of the BACS file making the payroll payments.	High	Senior Exchequer Services Officer & Human Resources Team Manager	September 2014	In Progress	
		5	The draft service level agreement prepared by Selima should be redrafted with more performance targets identified. Until this happens it would be sensible to have formal recording of issues maintained by NWLDC and Selima with monthly exchange of such detail	High	Head of Finance	August 2014	In Progress	
17	ICT Security & Back Up Controls	1	ICT staff should only create a network user account on receipt of a properly authorised network access request and ensure that access rights are disabled for any user where notification is received that the user no longer requires network access.	High	ICT Team Manager	TBA		
		2	ICT should disable the seventy eight accounts for users that no	High	ICT Team Manager	TBA		

Report		Recommendation		Rating	Officer Responsible	Target Date	Status	Management Comments
			longer work for or with NWLDC staff and all Managers should be reminded of the need to inform ICT of all network users under their management who no longer require access to the data network.					
		3	ICT in conjunction with Departmental managers should review the network access for staff under their control on an annual basis and the ICT Service Desk staff should ensure that managers authorise the required data areas for any user that has a change of role necessitating a variation in their access rights.	High	ICT Team Manager	TBA		
		4	The ICT Team Manager should expedite the introduction of the proposed revised backup arrangements and perform a disaster recovery test at the earliest opportunity.	High	ICT Team Manager	TBA		

Internal Audit Performance: May 2014

Performance Measures:

Performance Measure	2014-15 Qtr 1 Target	Position as at 30.05.14	Comments
Delivery of Audit Plan – Key Financial Systems	0%	0%	Audit of the Key Financial Systems to commence from September 2014.
Delivery of Audit Plan – Non Key Financial Systems	42%	0%	Resources have been used to complete the 2013/14 audit plan.
Percentage of time spent on audit work	75%	75%	
Percentage of Client Satisfaction with the Internal Audit Service	100%	n/a	No customer service surveys issued for 2014/15.
Compliance with the Internal Audit Standards	n/a	n/a	Annual target.
Compliance testing of completed recommendations	90%	100%	

Service Plan Actions:

Key Deliverables (Action)	Quarter 1 Milestone	Position as at 30.05.14
Review and update Health and Safety risk assessments to ensure risks to staff and customers are controlled.	Commence review of Health and Safety risk assessments for all service areas.	Health and Safety Risk assessment in progress.
Undertake audits as per agreed Audit Plan.	Complete audits of 5 systems to enable completion of audit plan.	Two audits have been completed from the 2013/14 audit plan and a further two audits are in progress.
Provide the Audit Committee with quarterly reports on the work and performance of internal audit.	Progress report to June Audit Committee	In Progress.
Achievement of the PSAIS	Completion of action plan targets	PSIAS Action Plan and status report documented in Appendix E.
Produce the 2013/14 Annual Audit Opinion Report by 30 th June 2014	Prepare Annual Report for presentation to June Audit Committee	In Progress
Produce and have approved the 2015/16 Internal Audit Plan by 31 st March 2015.	No action for Quarter 1	-

Public Sector Internal Audit Standards (PSIAS) – Action Plan

Action		Target Date	Status
1	Set-up quarterly meetings with the Chair of the Audit Committee.	28 th February 2014	Implemented
2	Develop comprehensive performance targets for Internal Audit.	28 th February 2014	Implemented
3	Review the format of the Engagement Plan (Terms of Reference) to ensure conformance with the PSIAS.	28 th February 2014	Implemented
4	Review the format of the Engagement Programme (Audit Programme) to ensure conformance with the PSIAS.	28 th February 2014	Implemented
5	Update the Internal Audit Report format to ensure conformance with the PSIAS.	28 th February 2014	Implemented
6	Update the issuing of reports and the monitoring and follow up of management actions process.	28 th February 2014	Implemented
7	Produce a risk based annual audit plan.	31 st March 2014	Implemented
8	Update the Progress Report to Managers and Audit Committee Members to ensure conformance with the PSIAS.	31 st March 2014	Implemented
9	Update the Declaration of Interest Form for Internal Audit Staff.	31 st March 2014	Implemented
10	The Senior Auditor to provide the Internal Auditors with training in relation to the Bribery Act 2010	31 st March 2014	Implemented
11	Review the Annual Internal Audit Opinion Report to ensure conformance with the PSIAS.	31 st May 2014	Implemented
12	The Head of Finance to obtain feedback on the performance of the Chief Audit Executive from the Chief Executive, the Chair of the Audit Committee and Blaby District Council as part of the appraisal process.	31 st May 2014	In Progress The Chief Executive provided feedback in April 2014. The remaining feedback is being sought through meetings in June 2014.
13	Undertake a self-assessment against the PSIAS.	30 th June 2014	Implemented
14	Agree the process for the acceptance and authorisation of consulting engagements.	30 th June 2014	In Progress
15	Develop a Quality Assurance and Improvement Programme.	30 th September 2014	
16	Review and update the job descriptions and personal specifications for Internal Audit Staff.	30 th September 2014	
17	Assess the collective skills, knowledge and competencies of the Internal Audit Team.	31 st December 2014	
18	Develop a programme of continuing professional development	31 st December 2014	
19	Update the Internal Audit manual.	31 st December 2014	
20	Review the computer assisted audit techniques available and access whether they could be used to perform audit testing.	31 st December 2014	
21	Undertake an assurance mapping exercise.	31 st January 2015	
22	Produce an Internal Audit Strategy in conformance with the PSIAS.	28 th February 2015	
23	Produce a risk based annual audit plan in conformance with the PSIAS.	28 th February 2015	
24	Undertake a fraud evaluation of the authority.	31 st March 2015	