

Report of the Chief Auditor

Audit Committee – 27 November 2014

INTERNAL AUDIT ANNUAL PLAN 2014/15 MONITORING REPORT FOR THE PERIOD 1st JULY 2014 TO 30th SEPTEMBER 2014

Purpose:	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 st July 2014 to 30 th September 2014.
Policy Framework:	None.
Reason for Decision:	To allow the Audit Committee to discuss and monitor progress against the Internal Audit Annual Plan 2014/15.
Consultation:	Legal, Finance, Access to Services.
Recommendation(s):	It is recommended that: the Committee review and discuss the work of the Internal Audit Section and note the contents of the report.
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Finance Officer:	Paul Beynon
Legal Officer:	Sharon Heys
Access to Services Officer:	Sherill Hopkins

1. Introduction

- 1.1 The Internal Audit Annual Plan 2014/15 was approved by the Audit Committee on 24th April 2014 and quarterly monitoring reports will be presented throughout the year to allow Committee to review and comment upon the progress of the Internal Audit Section in achieving the Annual Plan.
- 1.2 This report shows the audits which were finalised in the period 1st July 2014 to 30th September 2014.

2. Audits Finalised 1st July 2014 to 30th September 2014

2.1 A total of 109 days was lost in Quarter 2 due to the following vacancies.

- A Senior Auditor post remained vacant throughout the period following the promotion of the previous postholder to Group Auditor. The post has been advertised and will be filled during Quarter 3
- An Auditor gained promotion to cover for a maternity leave in the Accountancy Section. An agency auditor has been employed to cover this post until a temporary appointment is made to cover the post until May 2015
- An part time Auditor took retirement on 31/07/14

2.2 A total of 16 audits were finalised during Quarter 2. The audits finalised are listed in Appendix 1 which also shows the level of assurance given at the end of the audit and the number of recommendations made and agreed.

2.3 An analysis of the audits finalised during the 1st quarter is shown in the following table

Assurance Level	High	Substantial	Moderate	Limited
Number	2	13	1	0

2.4 A total of 115 audit recommendations were made and management agreed to implement 114 recommendations i.e. 99.1% against a target of 98%.

2.5 The following table shows brief details of the significant issues which led to the Waste Management audit being considered to be 'moderate'. There were other less significant findings also included in the final audit report issued.

Audit	Assurance Level	Reasons
Waste Management	Moderate	<ul style="list-style-type: none">• Significant budget overspends• Inadequate system back up procedures

2.6 A Management Action Plan which includes a series of recommendations to address the issues arising from the Waste Management audit has been agreed with the service. A follow up audit will be arranged within 6 months of the final report being issued to confirm that the agreed recommendations have been implemented.

- 2.7 In addition, the Internal Audit Section also certified the following grants as required by the terms and conditions of the grant issued by the funding body.

Grant	Amount £
Foundation Phase Grant 2013/14	7,333,341
Revenue and Training Grant 2013/11	213,631
School Uniform Grant 2011/13 – 2013/14	172,213
Out of School Childcare Grant 2013/14	164,712
National Trading Standards Board Grant 2013/14	150,000

- 2.8 In each case, it was found that the grant had been spent in accordance with the terms and conditions although in some cases recommendations were made to improve control over the grants in future years.

3. Follow Ups Completed 1st June 2013 to 30th September 2013

- 3.1 The follow up procedures operated by the Internal Audit Section includes visits to any non fundamental audits which received a 'moderate' or 'limited' level of assurance to confirm that action has been taken by management to address the concerns raised during the original audit.

- 3.2 The follow up visit is usually within 6 months of the final report being issued and includes testing to ensure that any 'high' or 'medium' risk recommendations have been implemented. Where agreed recommendations have not been implemented, this will be reported to the appropriate Head of Service (or Chair of the Governing Body in the case of schools) and the Head of Finance and Delivery.

- 3.3 During the 2nd quarter follow up visits were made to the following services

- ISiS Change Control
- ICS Administration
- Grand Theatre Catering
- YGG Tirdeunaw
- Bishop Gore Comprehensive School

- 3.4 The follow up visits to YGG Tirdeunaw and Bishop Gore both showed that substantial progress had been made in implementing the agreed recommendations.

- 3.5 However, delays were identified in progressing the agreed recommendations for both ICT audits which were mainly due to the restructuring of the service which is taking place following the appointment of a new Head of Service and the work involved in bringing the ICT service back in house. The recommendation which

have not been implemented have been escalated to the Head of Service and a further visit will be arranged within 3 months

- 3.6 A failure to make progress to implement the recommendations regarding Grant Theatre Catering was also found. This has been escalated and a further visit is planned to review the implementation of the outstanding recommendations before Christmas.

4 Equality and Engagement Implications

- 4.1 There are no equality and engagement implications associated with this report

5. Financial Implications

- 5.1 There are no financial implications associated with this report.

6. Legal Implications

- 6.1 There are no legal implications associated with this report.

Background Papers: Internal Audit Plan 2014/15

Appendices: Appendix 1 Internal Audit – Monitoring Report Quarter 2 2014/15