

Report of the Chief Auditor

Audit Committee – 16 June 2015

INTERNAL AUDIT ANNUAL PLAN 2014/15 MONITORING REPORT FOR THE PERIOD 1st JANUARY 2015 TO 31st MARCH 2015

Purpose:	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 st January 2015 to 31 st March 2015.
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 this 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 have been 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 January 2015 to 31st March 2015.

2. Audits Finalised 1st January 2015 to 31st March 2015

2.1 A total of 38 days were lost in Quarter 4 due a part time auditor post being vacant throughout the quarter

2.2 A total of 17 audits were finalised during Quarter 4. 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 4th quarter is shown in the following table and it pleasing to note that the number of audits achieving a high level of assurance is increasing.

Assurance Level	High	Substantial	Moderate	Limited
Number	5	11	0	1

2.4 A total of 81 audit recommendations were made and management agreed to implement all recommendations made i.e. 100% against a target of 98%.

2.5 The significant issues which led to the Section 106 Agreements audit receiving a limited level of assurance are shown below

- One file selected for testing could not be located and it was found that no system is in place to record the movement and transfer of files. An electronic document management system is in place but at the time of the audit not all files were held on the electronic system
- The Section 106 Agreements database is not up to date, from a sample of 5 Agreements tested, 2 had not been entered onto the database.
- There is no management check in place to ensure that the Section 106 Agreements database is updated on a prompt basis
- There is no reconciliation between the Section 106 Agreements and the income and expenditure details recorded on the General Ledger
- There is no system in place to ensure compliance with the terms and conditions of the Section 106 Agreements including the collection of contributions and their subsequent use.

2.6 A Management Action Plan has been agreed with the Planning Control Manager which includes a series of recommendations to address the issues shown above. 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 The Head of Economic Regeneration and Planning and the Planning Control Manager will attend the Audit Committee to provide assurance

to the members that the issues identified in the report are being addressed.

- 2.8 In addition, the Internal Audit Section also certified the following grants as required by the terms and conditions of the grants issued by the Welsh Government.

Grant	Amount £
ESF LSB Team Around the Family Grant 2011 - 2014	406,151
ESF LSB Healthy Partnerships	68,082
ESF LSB Low Carbon Swansea	98,612

- 2.9 It was found that the grants had been spent in accordance with the purpose of the grant and that only eligible expenditure was included.
- 2.10 During the quarter, Internal Audit also reviewed the accounts of a partnership that the Council is involved in for the re-cycling of road surface materials. This work was completed at the request of the Head of Highways and Transportation and the information requested was provided to the Head of Service.

3. Follow Ups Completed 1st January 2015 to 31st March 2015

- 3.1 No follow up audits were undertaken in in Quarter 4?

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 4 2014/15