

## **AC27. Internal Audit Progress Report.**

The committee considered a report by the Internal Audit Manager setting out progress in completing the 2016/17 Internal Audit Plan.

The plan included 21 planned assignments. Five additional assignments had been added to Internal Audit's work programme. These were:-

- Carbon Reduction Commitment Energy Efficiency Scheme Audit;
- Contact Centre – Data and Information Security;
- Social Work Intermediary Accounts;
- Residential and Non Residential Charging – Debt Management; and
- LEADER funding.

The report also summarised the processes in place for monitoring Community Halls' accounts.

In regard to the agreed plan, 9 assignments were in progress, 10 had yet to be started and draft reports had been issued for 2 of the assignments. In response to questions, the Internal Audit Manager confirmed that he expected all to be completed to draft report stage or further by March 2017.

Of the additional assignments, final reports had been issued in regard to the "Carbon Reduction" and "Contact Centre" reviews. The scope of the reviews and main findings were provided in an appendix to the report.

The committee discussed progress to date and the timescales for completing the planned audits and the additional assignments. The Internal Audit Manager reiterated that he anticipated that all would be completed however the plan could be readjusted. He described the fieldwork which was being undertaken in regard to the audit of the Redundancy and Severance Arrangements, confirming that a sample of 18 applications had been used.

In regard to a review of LEADER funding, the Internal Audit Manager confirmed that this is the first annual review of compliance with SLA terms. He considered that it was more appropriate that this work was treated as an assigned piece of work as opposed to ad hoc/consultancy work. It had not, he confirmed, been initiated as a consequence of, nor was it related to, BREXIT.

Following a question on the processes for monitoring the submission of Community Halls' accounts, the Internal Audit Manager explained the processes which were now in place to monitor and pick up issues at an early stage.

The committee discussed the continuous auditing assignment. Creditors' duplicate payments of £7.5k had been identified so far. Members asked whether this showed that effective controls were in place or whether it indicated a larger problem. The Internal Audit Manager stated that in context the sum was small and the audit showed no indication of systemic flaws. The audit was therefore reassuring.

### **Decision**

**The committee noted that good progress is being made with completing the 2016/17 Internal Audit Plan.**