COTSWOLD
DISTRICT COUNCIL

AUDIT COMMITTEE   **22ND SEPTEMBER 2015**

AGENDA ITEM (11)

INTERNAL AUDIT MONITORING REPORT

Accountable Member	Audit Committee
Accountable Officer	Robert Milford Head of Audit Cotswolds 01285 623350 robert.milford@cotswold.gov.uk

Purpose of Report	To present the Audit Committee with a summary of the activity undertaken by Audit Cotswolds.
Recommendation(s)	**That the Audit Committee considers the report and makes comment on its content as necessary.**
Reason(s) for Recommendation(s)	This report enables the Audit Committee to monitor the work of Audit Cotswolds and ensure it remains effective. It also provides the Audit Committee with assurance opinions over areas reviewed within the period.

Ward(s) Affected	N/A
Key Decision	No
Recommendation to Council	No

Financial Implications	As detailed within the report
Legal and Human Rights Implications	As detailed within the report
Environmental and Sustainability Implications	None
Human Resource Implications	As detailed within the report
Key Risks	Any weaknesses in the control framework, identified by the audit activity, could threaten organisational objectives if recommendations are not implemented.
Equalities Impact Assessment	Not Required

Related Decisions	None
Background Documents	Audit reports
Appendices	**Appendix A** - Audit Plan **Appendix B** - Executive Summaries **Appendix C** - Assurance Levels **Appendix D** - Counter Fraud Update

Performance Management Follow Up	Performance is monitored by the Audit Partnership Board under the Section 101 Agreement effective from 1st April 2012. Cotswold's S151 Officer represents Cotswold DC interests on this board.

Options for Joint Working	The Audit Plan is delivered by Audit Cotswolds which is a joint working initiative involving this Council, Cheltenham Borough Council and West Oxfordshire District Council.

Background Information

1.   The internal audit service (Audit Cotswolds) operates under a Section 101 agreement whereby the service has been delegated from Cheltenham BC and West Oxfordshire DC to Cotswold DC for delivery. Audit Cotswolds also provides services to Cheltenham Borough Homes Ltd, Ubico Ltd and GO Shared Services.

2.   This report sets out the work undertaken by the partnership for Cotswold DC since the last Committee meeting. The work follows the risk based auditing principles and, therefore, this report is an opportunity for the Audit Committee to be aware of emerging issues which has resulted in internal audit involvement.

3.   Progress against the audit plan is set out in **Appendix A**. The table below summarises the work that was brought forward from 2014/15 and an update on its progress:-

Audit	Report status
Performance Management	Draft waiting for Management response
Governance Compliance - Members Allowances	Draft
Data Protection & Control of Data	Draft waiting for Management response
Contract Management - SLM	In progress
Contract Management - Ubico	In progress

4.   Executive summaries of Audits can be found in **Appendix B.**

5.   The assurance levels are set out in **Appendix C.**

6.   Audit Cotswolds has also undertaken the following:-

- Commenced provision of a full year of internal audit services to The Cheltenham Trust (TCT). This is a new client for the service - initially 65 days, commenced in May 2015.

- We have successfully renewed our contract with our client Cheltenham Borough Homes Ltd for another year, following The Cheltenham Borough Homes Audit & Risk Committee decision in September 2015.

- The DCLG Counter Fraud Fund bid on behalf of the Council has been successful and £403k was received 30th April 2015. A more complete counter fraud update is at **Appendix D.**

- Audit Cotswolds as a service is in the process of updating the audit management software and data analytics tools, as follows:-

  ➢ We are currently soft market testing the new software to administer the audit plans, evidence/testing records, report writing and time recording system. We have been to see the systems in operation at other local authority sites. This is necessary as the service now has multiple clients, and the existing systems are inefficient and ineffective, and therefore no longer suitable for the service.

  ➢ The new systems are also refreshing the tools for testing; IDEA software will be used to test to 100% of certain records and data sets through audits.

  ➢ The expected result of this investment is a more streamlined service able to deliver audits in a more efficient and effective manner. As a result, there may be changes to the reports format for this Committee.

(END)