

| | |
|--------------------------|---|
| NAME OF COMMITTEE | Audit Committee |
| DATE | 15th April 2014 |
| REPORT TITLE | Internal Audit - Progress Against the 2013/2014 Plan |
| Report of | Chief Internal Auditor |
| WARDS AFFECTED | All/Corporate |

Summary of report:

The purpose of this report is to inform members of the principal activities and findings of the Council's Internal Audit team for 2013/14 to the 28th February 2014, by:

- Providing a summary of the main issues raised by completed individual audits; and
- Showing the progress made by the section against the 2013/14 annual audit plan, reviewed by this Committee in April 2013.

Financial implications:

There are no direct financial implications of the monitoring of the Internal Audit Plan. The internal audit costs for the year are as budgeted.

RECOMMENDATIONS:

The Committee is asked to consider and note the content of the monitoring report of the Internal Audit Plan for 2013/2014 and make any relevant recommendations to Council.

Officer contact:

For further information concerning this report, please contact:

Allan Goodman, Chief Internal Auditor 01803 861375 allan.goodman@swdevon.gov.uk

1. BACKGROUND

1.1 The Terms of Reference for Internal Audit were presented to the Audit Committee in April 2013 (Minute reference *AC 34 refers) and cover:

Purpose, Authority and Responsibility;
Independence;
Audit Management;
Scope of Internal Audit's Work;
Audit Reporting; and
Audit Committee.

- 1.2 The Audit Strategy was updated for 2013/14 and was approved by the Audit Committee in April 2013 (Minute reference *AC 34 refers) and covers:

Objectives and Outcomes;
Opinion on Internal Control;
Local and National Risk Issues;
Provision of Internal Audit; and
Resources and Skills.

- 1.3 At the September 2013 Audit Committee members accepted the view that the above documents remained fit for purpose and will be brought strictly into line with the new Public Sector Internal Audit Standards for 2014/15 (Agenda Item 6: Minute reference *AC 18 refers).

2. PROVISION OF INTERNAL AUDIT AND PROGRESS – 2013/2014

Audit Plan 2013/14

- 2.1 The 2013/14 audit plan (Appendix A) was presented and accepted by the Audit Committee at their meeting of April 2013 (minute reference AC 35 refers).

Local and National Risk Based Amendments to the Plan

- 2.2 The audit plan is continuously reviewed and updated to reflect emerging risks, and these are incorporated into the audit plan either through the contingency days or by change to the plan, depending on the significance.
- 2.3 There are no proposed amendments to the Plan at present.
- 2.4 Overspends on the estimated time for individual audits occur as the time in the audit plan is an estimate based on risk and generally not the amount of time needed to do the work required. All efforts are made to 'cut our cloth according to our means', but in some circumstances where control issues are identified, a risk based assessment is carried out. This constitutes consideration, depending on the significance, of whether additional time should be spent and if so where the work is to be charged, either contingency or by change to the audit plan.
- 2.5 The following table sets out the significant overspends on time budgets (3.5 days or more) on individual audits as totalled in Appendix A, and the reasons for the overrun:

| Audit | Planned Days | Days Used | Reason for Overspend |
|--------------|--------------|-----------|---|
| - | - | - | None over 3.5 days |
| - | - | 5 | As para 2.4 - Culmination of overspends below 3.5 days for finalised audits |
| Total | - | 5 | Overspend to date |

Resources and Skills

2.6 Sickness to the 28th February 2014 is 4 days (2012/13 equivalent 13 days).

2.7 In 2013/14, training has been or is being provided to the audit team as follows:

Chief Internal Auditor

- Smartsheet Overview (Internal)
- Update re changes to Council Tax and Business Rates (NDR) (Internal)
- Audit Management Software Demonstration

Senior Auditor:

- Information Security and Cybercrime (IIA Exeter)
- Update re changes to Council Tax and Business Rates (NDR) (Internal)
- Audit Management Software Demonstration

Auditor:

- Smartsheet Overview (Internal)
- Update re changes to Council Tax and Business Rates (NDR) (Internal)
- Audit Management Software Demonstration

Progress against the Plan

2.8 The 2013/14 Internal Audit Plan is attached at **Appendix A**. This has been extended to show the final position for each audit, and replicates a part of the monitoring report presented to the S.151 Officer on a monthly basis.

2.9 **Appendix B** provides a summary of the main issues raised for audits where a final audit report has been issued and action agreed.

Non Compliance with Contract or Financial Procedure Rules

2.10 There are no significant issues to bring to the attention of the Committee so far this year.

Fraud, Corruption, Bribery and Whistle Blowing

2.11 No actual, suspected or allegations of fraud, corruption or bribery have been identified so far this year, and there are no known whistle blowing reports.

Internal Audit Performance Indicators

2.12 Internal Audit's performance indicators are mainly collected annually and will be reported to the Audit Committee in full in the year-end report. The full list of those recorded is set out in the Audit Strategy 2013/14.

2.13 At this stage in the year, the key indicator 'Completion of 2013/14 Audit Plan' is as follows:

| Indicator | Target Annual % | Actual Annual % | Comments |
|---|-----------------|-----------------|---|
| Audits completed from 2012/13 combined audit plan. | 90 | 96 | As reported to the Audit Committee June 2013. (West Devon 100%) |
| Audits at the 28th February 2014 at various stages of completion from 2013/14 audit plan and their 2012/13 equivalents. | | | |
| WDBC | 95% | 87% | (81% at August 2012). |
| SHDC | 95% | 92% | (81% at August 2012). |
| Combined plan | - | 91% | (85% at August 2012). |

Internal Audit – Shared Services

2.14 The following has been achieved since the last Audit Committee:

Shared service with South Hams District Council:

- Progress on the 2013/14 audit plan reported to the West Devon Audit Committee. A growing number of audits are being completed across the two sites at the same time including the recharging of shared service costs, Council Tax, Business Rates, and Payroll etc.

Teignbridge

- Exchange of audit programmes, advice, official guidance and best practice including PSIAS external assessments; and
- Liaison over various corporate documents.

3. ISSUES from DECEMBER 2013 and FEBRUARY 2014 AUDIT COMMITTEES

3.1 The Committee requested further information on the following:

DECEMBER 2013

3.2 Minor issue relating to the Local Welfare Support Scheme were raised and oral feedback provided at the February 2014 meeting.

FEBRUARY 2014

3.3 Grant Thornton Publications (Agenda Item 8)

Grant Thornton presented an update to the Committee, which included at agenda page 59 a list of material from their website that members may find useful.

The Chief Internal Auditor agreed to supply the Committee with the summaries from these reports. An e-mail has been sent to members with these documents and an invitation for members to request a printed copy.

The Head of Finance & Audit agreed to provide members with answers to the questions posed on agenda pages 62 to 66.

4. LEGAL IMPLICATIONS

4.1 Statutory Powers: **Accounts and Audit Regulations 2011**

5. FINANCIAL IMPLICATIONS

5.1 None, within existing budgets.

6. RISK MANAGEMENT

6.1 The risk management implications follow this table:

| | |
|---|--|
| Corporate priorities engaged: | All/Corporate |
| Statutory powers: | Accounts and Audit Regulations 2011 |
| Considerations of equality and human rights: | There are no specific equality and human rights issues arising from this report. |
| Biodiversity considerations: | There are no specific biodiversity issues arising from this report. |
| Sustainability considerations: | There are no specific sustainability issues arising from this report. |
| Crime and disorder implications: | There are no specific crime and disorder issues arising from this report. |
| Background papers: | CIPFA Local Government Application Note for the united Kingdom Public Sector internal Audit Standards 2013; CIPFA Code of Practice for Internal Audit in Local Government 2006; WDBC 5-year Audit Plan 2010/11 to 2015/16. |
| Appendices attached: | Appendix A: Audit Plan 2013/14 Appendix B: Planned Audit 2013/14 – Final Reports: Detailed Items |

STRATEGIC RISKS TEMPLATE

| No | Risk Title | Risk/Opportunity Description | Inherent risk status | | | | Mitigating & Management actions | Ownership |
|----|---|--|----------------------------|----------------------------|------------------------------------|---|--|------------------------|
| | | | Impact of negative outcome | Chance of negative outcome | Risk score and direction of travel | | | |
| 1 | Opportunity to Make the Best Use of Scarce Audit Resource | Audit work completed in line with the audit plan and to the required quality standards will ensure that the external auditor gains assurance from the work of internal audit. This will result in no additional charges being requested to carry out the audits required to allow him/her to issue the certificate and opinion on the Council's accounts, including for the Annual Governance Statement. | - | - | - | ↔ | A risk based audit plan directs scarce audit resources towards areas of high risk to the Council. | Chief Internal Auditor |
| 2 | Inappropriate Use of Scarce Audit Resource | The directing of scarce audit resources away from areas of high risk may undermine the opinion provided to the Council by the Chief Internal Auditor on the System of Internal Control. | 2 | 2 | 4 | ↔ | Risk based audit plan, reviewed by senior managers and members, and updated as appropriate through the year. | Chief Internal Auditor |

| No | Risk Title | Risk/Opportunity Description | Inherent risk status | | | | Mitigating & Management actions | Ownership |
|----|---|---|----------------------------|----------------------------|------------------------------------|---|--|------------------------|
| | | | Impact of negative outcome | Chance of negative outcome | Risk score and direction of travel | | | |
| 3 | Links with External Audit | The external auditor may gain no assurance from the work of internal audit, potentially resulting in requests for additional charges to carry out the audits required to allow him/her to issue the certificate and opinion on the Council's accounts, including for the Annual Governance Statement. | 2 | 2 | 4 | ↔ | Regular liaison with the external auditor. Risk based audit plan, reviewed by senior managers and members, and updated as appropriate through the year. Regular monitoring of progress by the S.151 Officer and the Audit Committee. | Chief Internal Auditor |
| 4 | Assurance for the Annual Governance Statement | The Council's Annual Governance Statement cannot be signed if Internal Audit fails to complete the work set out in the approved risk based audit plan due to unforeseen circumstances. | 2 | 2 | 4 | ↔ | Regular monitoring of performance by the S.151 Officer and the Audit Committee. Audit approach adheres to the appropriate professional standards. Closer links with our neighbouring Council's audit team will provide reasonable assurance that higher risk audits are covered each year without fail, should significant resource issue arise. | Chief Internal Auditor |

Direction of travel symbols ↓ ↑ ↔

Progress Against the 2013/14 Internal Audit Plan

APPENDIX A

| Projects agreed in the Audit Plan | Planned Number of Days | Fieldwork started | Issued in draft | Management comments received | Finalised | Opinion (finalised reports only) | | | | Comments |
|---|------------------------|-------------------|-----------------|------------------------------|-----------|----------------------------------|------|------|------|---|
| | | | | | | Excell'nt | Good | Fair | Poor | |
| MAS & Budgetary Control | 2 | ■ | | | | | | | | 95% complete |
| Creditor Payments | 4 | ■ | ■ | | | | | | | Draft report issued: 18.12.2013 |
| Payroll | 4 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - April 2014 |
| Council Tax | 6 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - April 2014 |
| Business Rates (NDR) | 6 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - April 2014 |
| Benefits | 7 | ■ | ■ | | | | | | | Draft report issued: 03.03.2014 |
| Migration of Data to Northgate | 3 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - September 2013 |
| Debtors | 2 | ■ | ■ | | | | | | | Draft report issued: 18.12.2013 |
| Treasury Management | 2 | ■ | ■ | ■ | ■ | ■ | | | | Summary to Audit Committee - April 2014 |
| Main Financial Systems | 36 | | | | | | | | | |
| Contracts | 4 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - April 2014 |
| Homelessness and Housing Enabling | 4 | ■ | | | | | | | | 47% completed. |
| Private Sector Housing Renewal | 4 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - December 2013 |
| Customer Services/Cash Collection | 2 | ■ | | | | | | | | 10% completed. |
| Use of Internet and Email | 3 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - December 2013 |
| ICT / Computer Audit | 3 | | | | | | | | | |
| Other Systems & Audit Work | 20 | | | | | | | | | |
| Data Quality incl. PIs | 5 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - April 2014 |
| Corporate Governance System of Internal Control (SIC) & Annual Governance Statement (AGS) | 5 | ■ | ■ | ■ | ■ | - | - | - | - | Review of the Code of Corporate Governance presented to June 2013 Audit Committee under separate cover. Report to the July 2013 Audit Committee for recommendation to Council of the Annual Governance Statement. |

Progress Against the 2013/14 Internal Audit Plan

APPENDIX A

| Projects agreed in the Audit Plan | Planned Number of Days | Fieldwork started | Issued in draft | Management comments received | Finalised | Opinion (finalised reports only) | | | | Comments |
|---------------------------------------|------------------------|-------------------|-----------------|------------------------------|-----------|----------------------------------|---|---|---|---|
| | | | | | | | | | | |
| Risk Management | 2 | ■ | ■ | | | | | | | Draft report issued: 04.03.2014 |
| Safeguarding Children Shared Services | 3 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - April 2014 |
| Shared Services | 5 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - September 2013 |
| Use of Agency Staff | 3 | ■ | ■ | ■ | ■ | | | ■ | | Summary to Audit Committee - December 2013 |
| Non Financial | 23 | | | | | | | | | |
| Specific Counter Fraud Work | 3 | ■ | ■ | ■ | ■ | | ■ | | | Summary to Audit Committee - April 2014 |
| Counter Fraud | 3 | | | | | | | | | |
| Follow Up of Previous Year's Audits | 5 | 2.4 days used | - | - | - | - | - | - | - | |
| Contingency (Unplanned) | 5 | 5.8 days used | - | - | - | - | - | - | - | Minor control and governance issues, advice on financial controls and procurement procedures given to service officers at all levels and contribution to various draft policies & strategies. <ul style="list-style-type: none"> • Review and process of 11 Exemption applications from Contract Procedure Rules; • Additional individual internet and e-mail monitoring as requested my managers; • Audit Commission fraud survey; • Contribution to update of report writing guidance; • Car parking – fee setting governance; • Finance shared service – related work and advice. Share of T18 initially charged in full to SH, to be adjusted at year end; • Letter to member of the public re Planning post, printing and stationery; • Contractors published accounts; • Use of DWP CIS system – advice; • Discretionary Housing Payments; • Audit Commission: Protecting the Public Purse 2013 checklist. |
| Follow Up & Contingency | 10 | | | | | | | | | |

Progress Against the 2013/14 Internal Audit Plan

APPENDIX A

| Projects agreed in the Audit Plan | Planned Number of Days | Fieldwork started | Issued in draft | Management comments received | Finalised | Opinion (finalised reports only) | | | | Comments |
|-------------------------------------|------------------------|-------------------|-----------------|------------------------------|-----------|----------------------------------|---|---|---|---|
| | | | | | | | | | | |
| Management & Supervision | 13 | 11.5 days used | - | - | - | - | - | - | - | Planning; Monitoring; Supervision; File Review; Preparing Reports for, and attending, the Audit Committee; Preparing and co-ordinating the Audit Committee workshop; Meetings with the Section 151 Officer; Meetings with the Section 151 and Monitoring Officers; Liaison with the external auditor; etc |
| Management & Supervision | 13 | | | | | | | | | |
| Overall Total | 105 | | | | | | | | | |

Planned Audit 2013/14 – Final Reports

The following tables provide a summary of the audit opinion and main issues raised in the reports issued to managers. In all cases (unless stated) an action plan has been agreed to address these issues.

Opinion Definitions

Excellent

The areas reviewed were found to be well controlled; internal controls are in place and operating effectively. Risks against the achievement of objectives are well managed.

Good

The majority of the areas reviewed were found to be adequately controlled. Generally risks are well managed but a few areas for improvement have been identified.

Fair

There is a control framework in place, but some of the areas reviewed were not found to be adequately controlled. In these areas risks are not well managed and require controls to be strengthened to ensure the achievement of system objectives.

Poor

Controls are seriously lacking or ineffective in their operation. No assurance can be given that the system's objectives will be achieved.

September 2013 Audit Committee

Migration of Data to Northgate 24th May 2013 **Good**

Building Control (Follow Up of 2012/13) Issued 16th July 2013 **Unchanged at Good.**

Shared Service Recharges Issued 17th July 2013 **Good**

December 2013 Audit Committee

Use of Agency Staff Issued 16.08.2013 **Fair**

Use of Internet and Email Issued 06.09.2013 **Good**

Data Protection &

Freedom of Information (Follow Up of 2010/11 Audit) Issued 23.10.2013 **Data Protection – Fair; Freedom of Information - Good**

Private Sector Housing Renewal Issued 29.10.2013 **Good**

Planned Audit 2013/14 – Final Reports (continued)

April 2014 Audit Committee

| Subject | Audit Findings | Management Response |
|---|--|---|
| <p>Contracts Issued 19.11.2013</p> | <p>Good Much work has also been carried out by officers and members to improve management of the contracts, e.g. the Leisure contract repairs and maintenance. These actions have taken the opinion to a low level Good. Areas where controls could be strengthened further include:</p> <ul style="list-style-type: none"> • Monitoring the financial performance of the contractors and Parent Companies for Waste and Grounds Maintenance and reviewing the Performance Bond for Waste Management; • Continuing to make progress on the agreement with the waste contractor on the treatment of Rectification and Default Notices; <ul style="list-style-type: none"> • Comparing the prices charged for bulky waste collection with other Devon Councils, and considering whether income could be increased. There has been no increase since the start of the contract in 2010; and • With the assistance of the Legal service establish a comprehensive list of all contracts let by the Council and the location of the original contract (to supplement the record held by Legal that they hold in store). | <p>Managers will contact the Finance & Audit team to arrange for a review of the relevant accounts deposited with Companies House and Legal in relation to the Bond.</p> <p>A Deed of Settlement has been drawn up between the two parties to formalise the trade off between the costs to the Council of the property uplift and the costs to the Contractor of the defaults covering the period 1 April 2011 to 31 December 2012. It also states that months outside of this agreed period can be charged for respectively by both parties. <i>Update: The Deed has been duly signed. We are currently arranging a meeting as per the deed to discuss future arrangements.</i></p> <p>The issue will be raised on the agenda of the Informal Waste Group.</p> <p>The Monitoring Officer will put the issue on the Agenda for the next Risk Management Group for discussion on an approach to be taken.</p> |

Planned Audit 2013/14 – Final Reports (continued)

| Subject | Audit Findings | Management Response |
|--|--|--|
| <p>Payroll Issued 27.11.2013 Joint report South Hams District Council (SHDCC)</p> | <p>Good The Payroll section is able to meet its objectives in providing accurate payments to staff in a timely manner. There were a number of issues identified during the audit that will improve the controls over the operation of the service.</p> <p>Joint - The key issues identified included:</p> <ul style="list-style-type: none"> • Heads of Service are not required to confirm the accuracy of the Establishment in relation to their service; <ul style="list-style-type: none"> • We noted that a small number of changes to the payroll (e.g. overtime sheets, leavers' forms and deductions) had been authorised by an appropriate person but the list of authorised officers needed to be updated to include this individual. <p>WDBC - The key issues identified included:</p> <ul style="list-style-type: none"> • There are a variety of overtime sheet templates in use across WDBC; and • New employees are required to complete an on-line medical questionnaire which is analysed by an external company on behalf of the Council. Since the previously paper questionnaire moved on-line, the Council has not seen the form and so cannot verify that all questions are appropriate nor whether a data protection statement is included. | <p>Agreed in principle. However it is felt that not all Heads of Service, particularly those of larger services, would necessarily be aware of what grade and hours all their staff should be on. Most Heads of Service feel that their Middle managers are the more appropriate officers to confirm the accuracy of the Establishment. The regular meetings between Heads of Service and their Finance Buddies to review budgets, as well as the regular reconciliation of the Establishment to the budget, carried out jointly by the Personnel Officer (Resourcing) and the Accountant (SW), are felt to provide more meaningful checks of the accuracy of payroll bills and the establishment.</p> <p>Authorised signatories are to undergo the normal annual review shortly when the position of the officer involved will be re-considered.</p> <p>The template will be emailed directly to those officers who regularly submit timesheets. Agreed to review the on-line form to confirm that all questions asked are appropriate; and, ask the company to confirm that an appropriate data protection statement is included when collecting the data and that the requirements of the Data Protection Act are being met.</p> |

Planned Audit 2013/14 – Final Reports (continued)

| Subject | Audit Findings | Management Response |
|---|--|--|
| <p>Safeguarding (Children) Issued 25.11.2013 Joint report South Hams District Council (SHDC)</p> | <p>Good We have recognised that, in the majority of cases, action has been undertaken by officers to identify and to progress issues identified under the Local Safeguarding Children Boards self evaluation tool. There were a number of issues identified during the audit that will improve the controls over the safeguarding objectives.</p> <ul style="list-style-type: none"> • The Councils need to raise the profile of safeguarding and include general and specific training for staff and members and the use of a central register; and • We have raised a general reminder to ensure that the Councils include safeguarding as part of its involvement with external service providers. | <p>We are currently reviewing the files and records held.</p> <p>As identified safeguarding is included in the main procurement process, but only for large contracts. Plans are in place for us to review;</p> <ul style="list-style-type: none"> • Court and council appointed bailiffs and how the Protection from Harassment Act applies; • Safeguarding awareness for temporary contract staff; • Requirements for short term and low value contracts; and • Liaise with legal regarding tendering for contracts and the ongoing review of safeguarding policies and procedures and other contractual obligations with contractors. |
| <p>Data Quality and Performance Indicators Issued 17.12.2013</p> | <p>Good We were able to confirm that the method of collection for indicators remains consistent, although there are still some areas where actions are required:</p> <ul style="list-style-type: none"> • The Council's Data Quality Assurance Strategy requires review and update, although management have confirmed action is planned by the end of 2013. • Although the Council's have agreed to stop the recording of some indicators there are still calls by some government departments for these to be completed | <p>An updated strategy has been drafted and approved by Senior Management Team (SMT).</p> <p>Action plans agreed for a small number of the individual performance indicators.</p> |

Planned Audit 2013/14 – Final Reports Issued (continued)

| Subject | Audit Findings | Management Response |
|---|---|--|
| Treasury Management Issued 18.12.2013 | Excellent Controls over Treasury Management investments, and the long-term loan taken out by the Council, are in place and operating satisfactorily. Management understand that they are being cautious in their approach to investment, which is in most part due to the financial climate. | One minor issue was discussed relating to future storage of records and action agreed. |
| Counter Fraud Work Issued 06.01.2014 | Good We reported further details of the counter fraud work in the Audit Commission checklist 'Protecting the Public Purse 2013', which appears on the agenda of this Audit Committee (April 2014). A small number of recommendations were made to the relevant managers. | Action plan agreed. |
| Council Tax Issued 12.02.2014 | Good We have given the audit opinion of Good in acknowledgement of the fact that most items in last year's audit reports have been implemented and also that many of the SHDC and WDBC procedures are now aligned. <ul style="list-style-type: none"> • Limited separation of duties; • Access rights were not up to date with several leavers and officers moving within the Councils still having access to the revenues system; and • The need to consider procedures for the timely and efficient review of accounts in credit and the raising of refunds. | See NDR (Business Rates) below. It has been agreed that ICT will now remove leavers. Revenues and Benefits are each to independently make regular reviews of access rights to their part of the system. New procedures have been emailed to staff in Customer Services and Revenues which should improve the efficiency with which credit balances are processed. In addition, checks have been made on credits as part of the 2014/15 billing runs. |

Planned Audit 2013/14 – Final Reports Issued (continued)

| Subject | Audit Findings | Management Response |
|--|---|--|
| <p>NDR (Business Rates) Issued 26.02.2014</p> | <p>Good</p> <p>We have given the audit opinion of Good in acknowledgement of the fact that most items in last year's audit reports have been implemented and also that many of the SHDC and WDBC procedures are now aligned.</p> <p>The main issues raised include:</p> <ul style="list-style-type: none"> • The risks to the Business Rates Pool membership of significant valuation changes to large liability business properties; • Limited separation of duties and the need to consider procedures for the timely and efficient review of long term suppressions, cash transfers and accounts in credit; and • Reviewing, updating and aligning policies and procedures for the granting of discretionary reliefs and for recovery and enforcement. | <p>The Valuation Office has provided a list of outstanding appeals for both Councils. These have been taken account of when completing the government return NDR1 for 2014/15 (section relating to back dated appeals).</p> <p>The current size of the team does not offer any scope for further separation of duties. However under T18 there may be more opportunities if responsibilities are devolved to other teams.</p> <p>We will try to ensure that we carry out as much monitoring as resources allow, which will include specific areas that confirm the consistency and quality of customer service, as well as cash transfers between accounts and suppressions.</p> <p>Indeed the review of cash transfers between accounts is now up to date.</p> <p>The Revenues Manager will discuss future changes with the Chief Revenue Accountant with a view to moving towards a single process.</p> <p>The intention is to continue with a review of mandatory reliefs in 2014/15.</p> |

Planned Audit 2013/14 – Work Complete (No Audit Report)

| Subject | Comments |
|--|---|
| Compliance Review of the Code of Corporate | Member report setting out the work done to review the Council's compliance with its Code of Corporate Governance, in line with the CIPFA/SOLACE guidance, presented to the June 2013 Audit Committee. Issues raised are included in the Annual Governance Statement which was presented to the Audit Committee at the meeting of July 2013. |
| System of Internal Control (SIC), and Annual Governance Statement (AGS) | A report setting out the work done to enable the AGS to be completed in line with the CIPFA/SOLACE guidance was presented to the July 2013 Audit Committee. The Committee recommended approval of the AGS to the Council. The AGS was published in September 2013, following an update to the Statement at the September 2013 Audit Committee agenda. |
| Exemptions to Financial Procedure Rules | See table at Appendix A. |

Planned Audit 2013/14 – Follow Up with 2013/14 Audits

September 2013 Audit Committee

Shared Services Recharges 2012/13 - Mainly implemented.

December 2013 Audit Committee

Use of Internet and Email 2012/13 - Mainly implemented
 Data Protection & Freedom of Information 2010/11 - Some implementation
 Private Sector Housing Renewal 2012/13 – Mainly implemented.

April 2014 Audit Committee

| Subject | Comments |
|---|---|
| Treasury Management - 2012/13 | Cleared – no recommendations made. |
| Business Rates (NDR) - 2012/13 | Mainly implemented. 7/19 issues repeated relating to separation of duties and process alignment. |
| Council Tax - 2012/13 | Mainly implemented. 5/14 recommendations repeated mainly in the area of separation of duties and compensating controls. |
| Data Quality and Performance Indicators - 2012/13 | Mainly implemented. Update of the Strategy being the most significant of the 5/20 repeated. |
| Payroll - 2012/13 | Mainly implemented. 4/8 recommendations repeated and included in the summary of the 2013/14 report. |

Planned Audit 2012/13 – Follow Up of Previous Audits by Written Confirmation

| Subject | Comments |
|--|---|
| Main Accounting and Budgetary Control | To be followed up with 2013/14 audit. |
| Benefits | To be followed up with 2013/14 audit. |
| Procurement | Revised implantation dates agreed. |
| Academy to Northgate Migration | Followed up with 2013/14 Council Tax, NDR and Benefits audits. |
| Inventories | Memo sent, no reply received. Reminder sent and meeting to be arranged. |
| Creditors | Followed up with 2013/14 audit. |
| Debtors | Followed up with 2013/14 audit. |
| Commercial Rents | Memo sent, no reply received. Meeting to be arranged. |
| Building Control | Follow up with Teignbridge Internal Audit. New report issued with 3 revised implementation dates. |
| Contract Management (Follow Up of 2011/12 audit) | Some points cleared remainder followed up with 2013/14 audit. |
| Environment Management | Memo sent. Two revised implementation dates agreed. |