LICENSING AND GENERAL PURPOSE COMMITTEE   **AUDIT MANAGER'S**
26TH SEPTEMBER 2016   **REPORT NO. AUD1602**

INTERNAL AUDIT – AUDIT UPDATE

1   INTRODUCTION

1.1   This is a periodical report for Committee on the work of Internal Audit to provide an overview of the work undertaken during March 2016 to August 2016.

1.2   The last report was presented to the Committee on the 27th June 2016 where details of the audit plan for the current financial year were reported.

2   DETAILS OF KEY WORK COMPLETED DURING MARCH 2016 TO AUGUST 2016

(1)   Capital Projects – Slipped Projects (2015/16)

2.1   An audit of capital projects, that have been deferred over the last 3 financial years was carried out to identify reasons for the slippage, and if any trends were highlighted.

2.2   The key findings from this audit were:

•   There is some slippage of projects each year, 44% of projects in 2013/14 and 56% of projects in 2014/15.

•   Of the 48 projects slipped over the 3-year period, 7 of these had been slipped for more than 3 financial years.

•   The majority of the slipped projects related to building works/improvements, highways work/improvement or sports/recreational facilities.

•   External conditions were shown to contribute to the majority of the slippages sampled. For example, due to requiring external agreement or external funding.

2.3   The audit produced similar results and conclusions to the Capital Projects Audit carried out and presented to the Directors Management Board in October 2015. Therefore, no recommendations were made as actions from the previous audit would help to address the findings within this audit. A follow up on these recommendations is scheduled to be carried out later on this year and will be reported to the Committee at the next meeting.

(2)   **Audit Follow-ups**

2.4   The follow ups below have been carried out. All the following showed progress being made towards implementing the recommendations agreed as part of the audit:

- Financial Grants
- Parking Management System
- Planning Enforcement
- Express System (The Elections system)
- IT Network Security

2.5   A follow up was also carried out on the Mobile Devices audit. One high priority recommendation has not yet been fully implemented. This is being referred back to the Directors Management Board for further discussions on a way forward and will be report to this committee at the next meeting.

3   **WORK UNDERWAY**

3.1   The following audit work is currently underway and the findings will be reported at the next Committee meeting:

Public Sector Internal Audit Standards (PSIAS) – These are standards which came into affect in April 2013. They have been developed with a number of different organisations including the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Institute of Internal Auditors (IIA). The standards replace the old CIPFA standards adhered to by Internal Audit. They detail areas of internal audit work, which are expected in order to be compliant with the standards. A self-assessment against the standards is currently being undertaken and the results will be reported at the next committee meeting.

4   **ACTION AND ENDORSEMENT REQUIRED BY THE COMMITTEE**

4.1   The Committee is requested to note the content of the report.

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