

INTERNAL AUDIT – AUDIT UPDATE

SUMMARY:

This report describes the work carried out by Internal Audit for quarter 1 and the proposed work to be delivered for quarter 2 and 3.

RECOMMENDATION:

Members are requested to:

- i. Note the audit work carried out in quarter 1.
- ii. Note the update to the expected deliverables for quarter 2.
- iii. Endorse the expected deliverables for quarter 3

1 Introduction

1.1 This report is to provide Members with:

- An overview of the work completed by Internal Audit to date for quarter 1.
- An update of the progress made and any changes required for the expected deliverables for quarter 1 and 2, as approved by the Committee on 29th January 2018.
- A schedule of work expected to be delivered in quarter 3.

2 Resources

2.1 In June 2018, the Audit Manager returned from Maternity Leave on a part time basis doing 2 days a week for an interim period until the end of October 2018. During this interim period additional contractor resources have been budgeted for and bought in from Wokingham Borough Council to enable the delivery of the Internal Audit Plan.

2.2 Once the Audit Manager returns full time, in November 2018, the resources within the Audit team will be reviewed.

3 Audit work – Q1 18/19

3.1 The following audit work has been carried out within quarter 1:

Work	Status
Purchase Ledger	This audit is still at draft report stage as some queries have been identified with the findings within the report, which need to be reviewed further with the contract auditors prior to issuing it as a final.

Audit opinion and review of the Public Sector Internal Audit Standards (PSIAS)	The audit opinion and update to the PSIAS was presented to the Committee on the 24 th May 2018.
Depot (carried forward from 2017/18)	Work on the depot is currently underway by the contract auditors. This is due to be completed within Q2.
Audit Charter	Work is currently underway to update the audit charter for Internal Audit to ensure that this is in line with the requirements of the PSIAS. This is due to be completed within Q2 and will be reported to the Committee.
Contaminated water review	This was an unplanned piece of audit work. Due to the costs involved, it was agreed that the finances would be analysed by internal audit. This is due to be completed within Q2.

4 Update to audit work for Q2

4.1 At the meeting on 29th January 2018, it was agreed that the following audits and follow ups would be carried out within Q1 and Q2:

- Corporate governance
- Weekly refuse and recycling contract
- Improvement programme
- Capital programme management
- IT application access controls
- Disabled Facilities Grant
- Follow up on Contract letting and tendering
- Follow up on Transparency code
- Follow up on Cyber Security
- Follow up on card payments

4.2 It was agreed that if any changes were required to the agreed deliverables for the quarter, in order to meet changing needs of the organisations, then this would be communicated to the committee along with the reason for the change.

4.3 The following audits planned for Q1 and Q2 will now be carried out later on in the year due to the availability of the contract auditors:

- Improvement programme
- Capital programme management
- Disabled Facilities Grant
- Follow up on Contract letting and tendering
- Follow up on Transparency code
- Follow up on Cyber Security
- Follow up on card payments

4.4 In addition the following audits will now be carried out within Q2, which were originally planned to take place later on in the year:

- GDPR review
- Contract Management
- Follow up on parking machine income

5 Expected deliverables for Q2 & Q3

5.1 The work expected to be delivered in quarter 2 and 3 is detailed within the table below. As with the previous quarter, these audits can be subject to change due to the changing needs of the organisation or resource availability. An update will be provided at the November meeting.

Service	Audit/ follow up	Expected
Internal Audit	Audit Charter	Q2
Finance	Capital programme – Depot	Q2
Community	Weekly refuse and recycling contract	Q2
Finance	Contaminated water review	Q2
CLT	GDPR review	Q2
IT	IT access controls	Q2
Finance	Contract Management	Q2
CLT	Corporate Governance	Q2
Community	Parking Machine Income follow up	Q2
Finance	Benefits	Q3
Finance	Recovery	Q3
Finance	Sales Ledger	Q3
CLT	Risk Management	Q3
IT	Cyber Security follow up	Q3
CLT	Transparency code follow up	Q3
Finance	Card payments follow up	Q3

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References: *Internal Audit – Audit Plan* report, presented to the Committee on 29th January 2018

<https://democracy.rushmoor.gov.uk/ieListDocuments.aspx?CId=166&MId=459&Ver=4>