

HEAD OF INTERNAL AUDIT ANNUAL AUDIT OPINION 2014 / 2015

ANNUAL REPORT

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1. **INTRODUCTION**

- 1.1 Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. On behalf of the Civic Affairs Committee and the Director of Business Transformation, Internal Audit acts as an assurance function providing an independent and objective opinion to the organisation on the entire control environment by evaluating the effectiveness in achieving the organisation's objectives.
- 1.2 This report is the culmination of the work during the course of the year and seeks to provide an opinion on the adequacy of the control environment and report the incidence of any significant control failings or weaknesses. The report also gives an overview of audit performance during the year. The overall report will then feed into the Annual Governance Statement included in the Statement of Accounts.

2. **ARRIVING AT AN OPINION**

2.1 **Background**

The opinion is derived from work carried out by Internal Audit during the year, as part of the agreed Internal Audit Plan for 2014 / 2015. The Internal Audit Plan was developed to primarily provide management with independent assurance on the adequacy and effectiveness of the systems of internal control. We have conducted our audits both in accordance with the mandatory standards and good practice within the Code of Practice and additionally from our own internal quality assurance systems. Our opinion is limited to the work carried out by Internal Audit but, where possible, we have considered the work of other assurance providers.

2.2 **Risk Based Audit Planning**

Internal Audit continues to embrace the risk assessment approach to audit. A risk based approach is used to develop the Internal Audit Annual Plan, allowing us to direct resources at areas key to the organisation's success and to provide an opinion on the control environment as a whole. During the course of the year the risks of the Authority are continually reviewed. Each audit job also uses risk assessment to ensure that suitable audit time and resources are devoted to the more significant areas. This risk based approach to audit planning results in a detailed range of audits that are undertaken during the course of the year to support the overall opinion on the control environment. Examples include:

- Risk based reviews of fundamental financial systems that could have a material impact on the accounts and other corporate and departmental systems;
- Contract, procurement, performance and project audits; and
- Fraud and irregularity investigations

2.3 Reporting

Where appropriate, each report we issue during the year is given an overall opinion based on the criteria below. Certain pieces of work do not result in an audit report with an opinion (such as consultancy work, involvement in working groups and review of NFI reports). The report opinion, along with our consideration of other audit work, is used to formulate the overall Head of Internal Audit Opinion.

AUDIT ASSURANCE	
Assurance	Definitions
FULL	Controls are in place to ensure the achievement of service objectives and good corporate governance, and to protect the Authority against significant foreseeable risks.
SIGNIFICANT	Controls exist to enable the achievement of service objectives and good corporate governance, and mitigate against significant foreseeable risks. However, occasional instances of failure to comply with control process were identified and/or opportunities still exist to mitigate further against potential risks.
LIMITED	Controls are in place and to varying degrees are complied with, however, there are gaps in the process which leave the service exposed to risks. Therefore, there is a need to introduce additional controls and/or improve compliance with existing ones, to reduce the risk exposure for the Authority.
NO	Controls are considered to be insufficient, with the absence of at least one critical control mechanism. There is also a need to improve compliance with existing controls, and errors and omissions have been detected. Failure to improve controls leaves the Authority exposed to significant risk, which could lead to major financial loss, embarrassment, or failure to achieve key service objectives.

The report opinion is based upon the number / type of recommendations we make in each report. Individual action categories are as follows:

RECOMMENDATIONS MADE TO IMPROVE ASSURANCE LEVELS		
Status	Definitions	Implementation
CRITICAL	Extreme control weakness that jeopardises the complete operation of the service.	Immediately
HIGH	Fundamental control weakness which significantly increases the risk / scope for error, fraud, or loss of efficiency.	As a matter of priority
MEDIUM	Significant control weakness which reduces the effectiveness of procedures designed to protect assets and revenue of the Authority.	At the first opportunity
LOW	Control weakness, which, if corrected, will enhance control procedures that are already relatively robust.	As soon as reasonably practical

3. **OPINION 2014 / 2015**

As Head of Internal Audit, in line with the Public Sector Internal Audit Standards and prior best practice, I am required to provide an opinion on the overall adequacy and effectiveness of the Council's control environment. I have undertaken the following in order to form a basis for providing my assurance:

- Assessed the quantity and coverage of internal audit work against the 2014 / 2015 internal audit plan to allow a reasonable conclusion as to the adequacy and effectiveness of the Council's risk management, control and governance processes;
- Reviewed the reports from the reviews undertaken during the year by Internal Audit and other assurance providers where appropriate;
- Considered any significant actions not accepted by management and the consequent risks, of which there were none;
- Assessed the status of actions identified as not implemented, as part of Internal Audit follow up reviews and subsequent progress tracking;
- Considered the effects of significant changes in the Council's objectives or systems;
- Reviewed and considered matters arising from reports to Council committees; and
- Considered whether there were any limitations which may have been placed on the scope of Internal Audit.

Following consideration of the above I am able to provide the following Head of Audit Opinion for 2014 / 2015:

I am satisfied that sufficient quantity and coverage of Internal Audit work and other independent assurance work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's risk management, control and governance processes. In my opinion, the Council has adequate and effective systems of internal control in place to manage the achievement of its objectives. In giving this opinion, it should be noted that assurance can never be absolute and, therefore, only reasonable assurance can be provided that there are no major weaknesses in these processes.

Notwithstanding my overall opinion, Internal Audit's work identified a number of opportunities for improving controls and procedures which management has accepted and are documented in each individual audit report.

*Head of Internal Audit
June 2015*

4. **BASIS OF HEAD OF INTERNAL AUDIT OPINION**

- 4.1 The audit work that was completed for the year to 31 March 2015 is listed in Section 6, which summarises all the audits undertaken and their results in terms of the audit assurance levels provided and the number of actions agreed. A summary of assurance levels is detailed below. This shows that **65%** of the areas audited achieved an assurance level of significant or higher, compared to **83%** last year (and **65%**, **62%** and **59%** in previous years).

AUDIT ASSURANCE								
Assurance	Issued				%			
	11/12	12/13	13/14	14/15	11/12	12/13	13/14	14/15
Full	4	2	0	1	14	6	0	5
Significant	14	20	20	12	48	59	83	63
Limited	10	11	4	6	34.5	32	17	32
No	1	1	0	0	3.5	3	0	0
Total	29	34	24	19	100	100	100	100
N/A	-	7	3	3	-	-	-	-

- 4.2 In addition to the audits summarised in the above table, further audit work was carried out including consultancy work and other specific activities such as special investigations. These works do not usually warrant an assurance rating, but there may be actions arising from the work undertaken to address the issues identified. At the year-end a number of audits were in various stages of completion and audit opinions relating to these will be reported during 2015 / 2016.

4.3 **Annual Governance Statement**

In June 2007, CIPFA, in conjunction with the Society of Local Authority Chief Executives (SOLACE), published Delivering Good Governance in Local Government: Framework. The Department for Communities and Local Government has determined that this guidance represents proper practice. Consequently, Civic Affairs Committee should seek assurance that this guidance has been followed to compile the Annual Governance Statement (AGS). To help the Committee gain that assurance and to give some independent assurance that the AGS is free from material misstatement Internal Audit undertakes reviews of the key corporate governance systems. Using our audit work and being involved in the development of the Annual Governance Statement we can confirm that there is evidence to indicate that policies, procedures and systems are in place for corporate governance to be effective

within the Council. The Council has demonstrated a firm foundation for this and Internal Audit remains of the opinion that the policies, procedures and systems are generally in place for good corporate governance.

4.4 Risk Management

Internal Audit play a lead role in the risk management framework. All agreed Internal Audit actions are recorded on the risk register and monitored for implementation. Quarterly reports are referred to each Departmental Management Team on outstanding actions and are also flagged up with the Strategic Leadership Team half yearly.

Concerted efforts have been undertaken over the last few years to reduce the level of overdue actions, in particular to resolve issues from previous years, and this has reduced the numbers. The summary position is set out at the end of this report. It should be noted that many of the actions which are overdue are in progress, but not fully complete.

4.5 Key Financial Systems

A risk based review of the authority's key financial systems is undertaken to provide evidence to support the internal audit opinion on the adequacy of the organisation's control environment. Audit coverage during the year has provided sufficient evidence to conclude that those key financial control systems evaluated are adequate, but a number of actions have been identified to rectify any system weaknesses identified.

4.6 Summary Activities

Section 6 identifies the work undertaken and concluded in the year with brief commentary on each activity. Key activities include reviews of:

- Former Tenant Arrears
- Managing Events on Open Spaces
- Achievement of Income and Savings
- Asbestos Management
- Grants to Housing Associations
- Land Charges
- Homelessness

In addition, the Section was involved in a number of key projects to ensure appropriate processes and decision making was in place.

4.7 Allegations of Fraud and Breaches of Code of Conduct

Fraud and Irregularity investigations were previously reported to the Standards Committee annually. This would have covered Internal Audit work as well as that of the Revenue and Benefits Services Fraud Prevention Team. This is now part of the remit for Civic Affairs and a report earlier on this agenda covers fraud and whistleblowing.

Internal Audit has been involved in four issues throughout the year.

5. RESOURCING AND PERFORMANCE

5.1 Resourcing

5.1.1 The section is made up of a complement of 4.50 FTE following a review of the structure in 2014. This is represented by:

Internal Audit Post	1-Apr-2014	Movements in Year		31-Mar-2015	Commentary
		May	November		
Head of Internal Audit	0.40	-	-	0.40	
Principal Auditor	0.76	-	-	0.76	
Senior Auditor	1.37	+1.00	-0.80	1.57	May: 1.00 FTE appointed November: 0.80 FTE resignation
Audit Assistant	0.77	-	-	0.77	
	3.3 ¹			3.50 ²	

¹ Senior Auditor vacant post 1.00 fte.

² Establishment was increased in year following identification of savings within the salaries budget e.g. previous savings identified following reduction in HoIA time from 50% to 40% as a result of South Cambridgeshire DC joining the shared service arrangements. Approval was received from Executive Councillor. Vacant post at year end 1.00 fte.

- 5.1.2 Between May and November 2014 the service was at full complement. Due to its size, the section is not structured around client / service based teams or Council directorates. This has allowed the opportunity for auditors to develop a depth of knowledge / relationships with customers in relation to the work of a number of services rather than specific areas. However, a number of officers have specific technical attributes that provide the organisation with a “first point of contact”. This provides some continuity to the customer who can regularly deal with the same auditor over a period of time.
- 5.1.3 It should be noted that the service has since recruited to the vacant post – with a start date of June 2015.

5.2 Performance

During the year, it should be noted that:

- The continuation of shared management arrangements with Peterborough City Council (and South Cambridgeshire from July 2013);
- External audit reliance on our work; and
- Sickness levels remain below corporate levels.

Following changes to the IT infrastructure, as reported to Civic Affairs Committee in March 2015, we have been unable to issue electronic post audit questionnaires. A separate survey has been commissioned, together with other review mechanisms, and is due to be issued.

6. AUDIT PLAN COVERAGE

CORE SYSTEM ASSURANCE WORK							
Core systems are those that are fundamental to providing control assurance for internal financial control and allow the s151 officer to make his statement included in the Annual Accounts on the reliability of the supporting financial systems.							
Housing Benefit	COMPLETED. Work is undertaken annually for External Audit based upon their Housing Benefits diagnostic tool. No issues were identified.						
Payroll	Following a restructure within the service, post shared service with South Cambridgeshire District Council, and significant changes to the make-up of the team during Quarter 4, the audit was deferred to enable full recruitment into the various roles. This audit is now being undertaken in 2015 to also provide assurance to South Cambridgeshire District Council as part of the shared service arrangements in place.						
Rent Accounting	Assurance: Significant	Critical: 0	High: 0	Medium: 5	Low: 0	Total: 5	COMPLETED At the request of the client, the audit was split into two key areas – Housing Rents and Former Tenant Arrears. As a result two separate assurance ratings have been given. The procedures in place for managing and reconciling the Housing Rent Account should facilitate continued high level of performance in this area.
Former Tenant Arrears	Assurance: Limited	Critical: 0	High: 2	Medium: 2	Low: 1	Total: 5	COMPLETED The findings from our initial high-level review into the collection and write-off of former tenant arrears identified a lack of a clear policy or procedure. A further in-depth audit will be carried out in 2015/2016.

ANNUAL GOVERNANCE AND ASSURANCE FRAMEWORK	
Each year the Council is obliged to issue a statement on the effectiveness of its governance arrangements. This section details audit work that specifically relates to the production of the Annual Governance Statement	
Annual Governance Statement	<p>COMPLETED</p> <p>Internal Audit led the working group set up to review and update the Annual Governance Statement. This was submitted to Civic Affairs in June 2014.</p>
Annual Audit Opinion	<p>COMPLETED</p> <p>The Annual Audit Opinion was submitted to Civic Affairs Committee in June 2014.</p>
Internal Audit Effectiveness	<p>COMPLETED</p> <p>The Review of the Effectiveness of Internal Audit was submitted to Civic Affairs Committee in June 2014.</p>
Prevention of Fraud and Corruption Policy	<p>COMPLETED</p> <p>The annual report on fraud and whistle-blowing was submitted to Civic Affairs Committee in June 2014.</p>
National Fraud Initiative (NFI)	<p>ONGOING</p> <p>The NFI is a national data-matching exercise organised through the Cabinet Office every 2 years. Datasets include Housing Benefits, Payroll, Housing Rents, Insurance claims, Creditors, and various Licences e.g. Market Traders, Taxi Drivers and Personal licences to supply alcohol. These records are compared with various audited bodies to prevent and detect fraud and error.</p> <p>Downloads were submitted through a secure website and initial matches received in February 2015. Initial sifts / risk assessments are currently taking place and a number of cases have been allocated for further investigation.</p>
Discharge of s.151 Responsibilities	<p>REPORT DRAFTED</p> <p>Overview of activities being undertaken to ensure that all the s.151 duties are being effectively covered following the re-organisation of senior roles within the Council.</p>

CORPORATE / CROSS-CUTTING AUDITS	
Governance Arrangements – Shared Services	IN PROGRESS Review of various arrangements put in place for the governance of existing shared services

CONTRACTS AND PROJECTS	
Clay Farm – Community Centre / Developer Contributions	<p>ON GOING MONITORING</p> <p>Links were set up with the Programme Office to initiate an early gateway review of the works in hand.</p> <p>Further work has been undertaken to look into the future funding requirements in order to deliver the Community Centre.</p>
Building Cleaning Contract	<p>COMPLETED</p> <p>Works have been undertaken at various stages in relation to the development of the tender for this contract; its evaluation and subsequent award. Future works are planned in 2015 / 2016 in relation to a post implementation review.</p>
Cultural Trust	<p>COMPLETED</p> <p>Input provided at various stages of the development of the Trust, prior to it going live.</p>
Tour de France	<p>COMPLETED</p> <p>Gateway Review providing independent assessment of progress with the project / assurance over the event delivery.</p>
Green Deal	<p>ON GOING MONITORING</p> <p>Review and position re: take up of scheme.</p>
Community Infrastructure Levy	<p>IN PROGRESS</p> <p>Provision of advice / support / challenge to the project team. This is continuing in 2015 / 2016</p>
Tender Evaluation	<p>IN PROGRESS</p> <p>Ongoing monitoring and provision of re-workings for a number of contracts / PPQ's etc. during 2014 / 2015 has formed the testing schedule for assessing the robustness of the Councils evaluation process.</p>

CUSTOMER AND COMMUNITY SERVICES							
Implementation of Welfare Reform	Assurance: Full	Critical: 0	High: 0	Medium: 0	Low: 0	Total: 0	COMPLETED The sound implementation of the Council Tax Reduction Scheme and the preparatory measures taken in advance of the introduction of Universal Credit provide confidence that the Council is well situated to adjust to the continuing implementation of the government's welfare reform programme.
Discretionary Housing Payments	PLANNING STAGE Focus on the arrangements for managing and processing DHPs within the overall budget.						
Grants to Housing Agencies	Assurance: Limited	Critical: 0	High: 3	Medium: 2	Low: 0	Total: 5	COMPLETED A lack of transparency in the application and assessment stages of awarding grant funding has been identified, and an inconsistent approach to monitoring the operational performance and financial accounting of grant funding is evident.
Mobile Working	DRAFT REPORT Focus on the arrangements in relation to responsive repairs and the introduction of mobile working devices to assist in efficiency, productivity and performance.						

ENVIRONMENT							
Fire Safety Management – Car Parks	Assurance: Significant	Critical: 0	High: 0	Medium: 1	Low: 0	Total: 1	<p>COMPLETED</p> <p>Robust measures have been put in place to mitigate the risk of fire at the main Council owned car parks with a detailed Fire Management Plan held.</p> <p>Fire risk assessments are completed annually with no overdue actions at the time of audit.</p>
Fire Safety Management - Crematorium	Assurance: Significant	Critical: 0	High: 0	Medium: 1	Low: 0	Total: 1	<p>COMPLETED</p> <p>There is evidence of robust measures in place to mitigate the risk of fire at the Crematorium and Cemetery site. A detailed Fire Safety Management Plan is held, which should be reviewed annually to ensure details remain up to date.</p> <p>Fire risk assessments are completed annually with the most recent review resulting in no actions being raised.</p>

BUSINESS TRANSFORMATION	
Budget Setting Process	<p>PLANNING STAGE</p> <p>Review of compliance with new arrangements.</p> <p>Internal Audit reviewed the new budget setting arrangements in 2013/14 and reported that these processes appeared robust and included all the requirements to deliver appropriate financial control. However, as the Council had not yet run through a full financial cycle it had not been possible to verify all of these in a 'live' environment. It was agreed that Internal Audit would undertake further assurance work during 2014-15, as part of the audit plan, to ensure appropriate evidence is in place for all changes to financial arrangements. This audit is currently in progress.</p>
Subsidence Claims	<p>IN PROGRESS</p> <p>Consideration in to how the Council manages claims its receives.</p>

CARRY FORWARD ACTIVITIES							
PREVENT Funding	Assurance: Significant	Critical: 0	High: 0	Medium: 2	Low: 0	Total: 2	COMPLETED Grant monies have been spent in accordance with Government guidelines.
Accounts Payable	Assurance: Significant	Critical: 0	High: 2	Medium: 3	Low: 4	Total: 9	COMPLETED The controls operating over the Accounts Payable system and the processing of invoices were considered to be sound and payments are made well within required timescales.
Managing Events on Open Spaces	Assurance: Limited	Critical: 0	High: 2	Medium: 5	Low: 1	Total: 8	COMPLETED This audit highlighted the need to update legal agreements and recommended improvements to the application process.
Box Office Procedures	COMPLETED. With the transfer of the Box Office to Cambridge Live a review of the procedures in place prior to transfer identified a number of issues for the Board to take on board going forward. A series of actions have been identified and reported via a memorandum. Internal Audit did not provide an assurance rating for this audit.						
Land Charges	Assurance: Limited	Critical: 0	High: 5	Medium: 3	Low: 1	Total: 9	COMPLETED. The Land Registry has stated its intention to oversee the statutory function for holding and maintaining a Local Land Charges (LLC) Register for England and Wales. The proposed new model sees the Land Registry as the sole registering authority for LLCs and the sole provider of LLC official search results, however there are no timescales as yet for implementation of these changes nor is there any information in respect of how fee income will be allocated once these changes come into effect.

							<p>The key findings relate to the following areas:</p> <ul style="list-style-type: none"> • Key Person Dependency issues surrounding the maintenance of the public register; • Management controls over the maintenance of the public register; • Lack of clarity over the system access levels; • Interfacing issues between the M3 and TLC systems; and • the fee charging structure.
Achievement of Income and Savings	Assurance: Limited	Critical: 0	High: 2	Medium: 4	Low: 0	Total: 6	<p>COMPLETED.</p> <p>There were concerns that savings opportunities may not be maximised where the target savings are being achieved by alternative methods; there was no formal process for monitoring progress with the identified initiatives once they have been agreed and included in the Budget Setting Report, and that some services were setting savings / income targets which had not been fully assessed and / or had insufficient challenge from Finance. It is noted that the new Programme Office will play a greater role in monitoring achievement of savings and income targets going forward. Forecast outturns are now being reported to SLT and SLT/Executive on a regular basis and the first review of the delivery of savings targets for 2015/16 has been performed, and will continue to be reviewed quarterly through 2015/16. Internal Audit therefore advises that this rating was given on the processes and controls examined and in place at the time of the audit.</p>
ICT Software Licensing	Assurance: Significant	Critical: 0	High: 1	Medium: 1	Low: 0	Total: 2	<p>COMPLETED</p> <p>This audit highlighted the need to clarify roles and responsibilities with regard to the reconciliation of software licences.</p>
IT Infrastructure	FIELDWORK COMPLETED						

Health & Safety - Asbestos Management	DRAFT REPORT STAGE						
Safeguarding - Use of Volunteers	DRAFT REPORT STAGE						
Building Control	Assurance: Significant	Critical: 0	High: 0	Medium: 5	Low: 0	Total: 5	COMPLETED The procedures for processing applications are well documented and there is evidence of effective recording, monitoring and reporting on performance indicators. Key actions were agreed around the annual review of the scheme of charges and checking calculations of hourly rates.
Security of On-Line Transactions	Audit work partially completed by previous employee. Decision to be taken as to way forward with these audits.						
Admin Building Management							
Compliance with HR Policies							

Homelessness	Assurance: Limited (as at December 2014)	Critical: 1	High: 15	Medium: 5	Low: 0	Total: 21	<p>COMPLETED</p> <p>The review of Homelessness started in 2013/14, shortly after the issue of three Local Government Ombudsman reports into the service, when no assurance could be provided. During the course of the audit, which continued throughout 2014/15, the service undertook a programme of improvements, which were reviewed by Internal Audit and a final 'Limited' assurance rating was provided in December 2014.</p> <p>The audit highlighted a number of weaknesses relating to processes and systems in place in respect of Bed and Breakfast accommodation placement and provision for the homeless.</p> <p>Areas of good practice and positive developments in the management of the homeless service were identified i.e:</p> <ul style="list-style-type: none"> • Sought to secure Bed and Breakfast suppliers within the Cambridge area to provide accommodation for homeless applicants; • Joint actions are being taken with City Homes to increase the level of temporary Council stock to place persons / households locally; • A review of approach to Lettings; and • A sub-regional approach to homelessness is being pursued. <p>Issues have been identified, however, relating to the non-compliance with legislation and the DCLG Homelessness Code of Guidance in respect of:</p> <ul style="list-style-type: none"> • Demonstrating that there is no alternative suitable temporary accommodation prior to an out of district placement; • Consideration of the impact on vulnerable persons of decisions to place out of district; and • No checks had been undertaken as to the suitability of the accommodation where homeless households were being placed.
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FOLLOW-UP AUDITS						
Tendering: Health and Safety	Assurance: Significant	Completed: 5	In Progress: 0	Outstanding: 1	Cancelled: 0	Additional Actions: 0
Risk Management	Assurance: Significant	Completed 1	In Progress 0	Outstanding 0	Cancelled: 0	Additional Actions: 0
Multi-Storey Car Parks – Income Reporting	Assurance: Significant	Completed 5	In Progress 0	Outstanding 0	Cancelled: 1	Additional Actions: 0
Markets	Assurance: Significant	Completed 4	In Progress 1	Outstanding 0	Cancelled: 0	Additional Actions: 0
Members Allowances	Assurance: Significant	Completed 5	In Progress 0	Outstanding 0	Cancelled: 0	Additional Actions: 1
Cash Handling at Depot	Planning					
PCI DSS Compliance	Fieldwork					
Business Use of Private Vehicles	Planning					

AUDITS REMOVED FROM THE AUDIT PLAN

Due to a reduction in audit resources during the year, the following audits from the 2014 / 2015 audit plan have either been cancelled or re-phased to 2015/16, following agreement by Civic Affairs in November 2014.

Audit Activity

- HMO Licenses / Use of Temporary Accommodation
- Safeguarding: Children and Vulnerable Adults – Information sharing arrangements
- IDOX – Post Implementation Review
- Housing Allocations
- Vehicle, Machinery and Equipment Replacement Arrangements
- Contract Management (IT)
- Licences. **Cancelled.** Issues identified in 2012 / 2013 NFI have been satisfactorily resolved for this year's NFI.
- Corporate Governance. **Re-allocated.** To avoid duplication of effort, governance issues are covered within the audits on Governance Arrangements for Shared Services and Discharge of s.151 Responsibilities.
- Capital Expenditure – Follow-up
- Home Improvement Agency – Follow-up – This audit has now been completed and is at draft report stage.
- Payables – Follow-up

It is recommended that the following audits from the above list are now cancelled for the reasons stated below:

- Vehicle, Machinery and Equipment Replacement Arrangements – This piece of work has been superseded by the review of the Council's vehicle fleet and audit resources have been allocated to providing input to this review in 2015/16.
- Contract Management (IT) – In light of the forthcoming shared service arrangements for IT with Hunts and South Cambs District Council, it is recommended this audit is cancelled.
- Capital Expenditure – Follow-up – A complete overhaul of capital expenditure arrangements has been carried out and a new Capital Programme Board has been set up to monitor this going forward. Internal Audit will participate in the new Board.
- Payables – Follow-up – the original audit received a significant assurance rating therefore a follow up review will not be undertaken.

The following audits from the 2014/15 audit plan will be carried forward to 2015/16. N.B. A new Senior Auditor will be joining the Internal Audit team in June 2015.

- Organisational Change Management
- Contract Management arrangements
- Closedown of Contracts
- Office Re-organisation (Post Implementation Review)
- Compliance with Freedom of Information/EIR Legislation
- Grounds Maintenance recharges
- Business Continuity arrangements
- Data Security / Data Sharing Protocols
- Customer Complaints

UNPLANNED ACTIVITIES: PROJECT MANAGEMENT / GENERAL ADVICE

Various pieces of ad-hoc advice have been provided to management during the year across the organisation. Members of the Internal Audit team also participate in the following internal working groups:

- Information Security Group
- Asset Management Group
- Joint Equalities Group

UNPLANNED ACTIVITY: SPECIAL INVESTIGATIONS – E.G. ALLEGATIONS OF BREACHES OF OFFICER CODE OF CONDUCT / WHISTLEBLOWING

Internal Audit have been involved in **FOUR** separate investigations this year, three at the request of management and one as part of a wider whistleblowing investigation.

RISK MANAGEMENT

On-going work includes the review and monitoring of the Council's risks and implementation of actions agreed to mitigate these.

RISK REGISTER: PROGRESS ON IMPLEMENTATION OF ACTIONS

POSITION AS AT 8 th June 2015					
YEAR	Agreed	Implemented	Completion Date Not Due	Cancelled	Overdue Action
Pre 2012 / 2013	288	253	2	30	3
2012 / 2013	140	130	2	4	4
2013 / 2014	85	61	4	6	14
2014 / 2015	69	42	18	0	9
TOTAL	582	486	26	40	30