

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE

30 March 2017

Audit Report, Audit Plan & Progress Report – Audit Plan

1. Contacts

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2. Recommendation

The committee is requested to consider the Audit Reports & Audit Plan for 2017/2018 and note progress against the Plan.

3. Main Report

3.1. Community Infrastructure Levy Audit Report

Internal Audit completed an operational risk assessment on the area under review and met with the Principal Planning Officer and the Planning Officer (CIL & Infrastructure). It was decided to test the controls in place and to undertake the following for the audit:

- To establish that the adoption of the CIL framework has been done in accordance with the relevant legislation.
- To establish that the processes for the collection of monies relating to CIL are robust and meet the key CIL legislative requirements.
- To documents the process for the monitoring and reporting spend against CIL monies to ensure that funds are being used to achieve the Local Plan and Key Priorities. A future audit will test this process.

Overall the controls appear to be working satisfactorily in relation to the collection of monies. It is suggested that procedures are written to document the CDC specific processes that are being adopted in relation to the collection of CIL monies and also in relation to the monitoring of future spend against CIL income.

Two recommendations have been made both of which have important issues. Both recommendations have been agreed by management.

3.2. Estate Rent Arrears

Internal Audit looked at the Estates Service debt management report for May and June 2016. The audit review was carried out to identify procedures and test controls to ensure that:

- All rent arrears are identified.
- Arrears are monitored and appropriate action take to reduce the debt.
- There is a procedure in place for writing off aged debts.
- Income reconciliations are completed and up to date.

Whilst the service is in regular contact with their tenants, a written position of each debtor to provide a clear audit trail and ensure that the debt is continuously monitored and pursued. Internal Audit have highlighted a high level of 'aged debts' outstanding which should have been written off. However, the Estates Service had not received any advice/instruction to ensure this was done.

Since the Audit was completed services including Estates, Exchequer, Legal Finance and Recovery have been in consultation to improve the process across the council.

Three recommendations have been made, two of which have significant issues and one which has an important issue. All recommendations have been agreed by management.

3.3. Review of Recommendations for Car Parks – G4S Income Audit

An audit report for Car Parks - G4S Income came to the committee in November 2016. As there were a number of recommendations made members asked for an update to be brought back to this committee on the progress that has been made with the implementation of the recommendations.

In total eight recommendations had been made however, at the time of completing the audit two recommendations had been implemented and were not reviewed again as part of this review. I am pleased to report that of the six remaining recommendations five recommendations have been completed and one recommendation is on-going. A copy of this review of recommendations is attached at Appendix 4.

Internal Audit is planning to revisit these areas in next year's audit plan to establish that the progress has been maintained.

3.4. Audit Plan 2017/2018

The audit plan for 2017/2018 has been reduced. This has been brought about following the shared service review. Although that concluded with Cabinet resolving not to share Internal Audit resources with Arun and Horsham District Councils, the review identified that we can reduce the overall size of the annual audit plan.

The draft plan has been prepared on the basis of 420 chargeable audit days, which is slightly higher than would have been delivered had a shared service proceeded (400 chargeable days). This can be accommodated by the current audit team which is carrying one vacant post. A review of the team resources is currently under way.

As in previous years the audits will consider Risk, Value and Complexity and will also review the arrangements for securing value for money, also the identification of potential efficiency gains. It is envisaged that a large proportion of audit work will be to undertake the Key Financial Systems work which allows the External Auditors (Ernst & Young) to place reliance on Internal Audits work, rather than to re-test these areas themselves. The remaining time will be taken up with annual activity and audits that are of high risk, or have not been audited before.

Details of the 2017/2018 plan can be found in Appendix 5.

4. **Background**

4.1. Not Applicable

5. **Outcomes to be achieved**

5.1. Not Applicable

6. **Proposal**

6.1. Not Applicable

7. **Alternatives that have been considered**

7.1. Not Applicable

8. **Resource and legal implications**

8.1. Not Applicable

9. **Consultation**

9.1. Not Applicable

10. **Community impact and corporate risks**

10.1. Not Applicable

11. **Other Implications**

Are there any implications for the following?		
	Yes	No
Crime & Disorder:		√
Climate Change:		√
Human Rights and Equality Impact:		√
Safeguarding:		√
Other (Please specify):		√

12. **Appendices**

Appendix 1 – 2016-17 Audit Plan Progress Report
Appendix 2 - Community Infrastructure Levy Audit Report
Appendix 3 - Estates Rent Arrears Audit Report
Appendix 4 – Car Parks Audit – review of recommendations
Appendix 5 – 2017-18 Audit Plan

13. **Background Papers**

None