

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE

29 JUNE 2017

Internal Audit Reports and Progress against the Audit Plan

1. Contacts

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2. Recommendation

The committee is requested to:

- 1) Consider the two audit reports and make any comments.**
- 2) Note progress against the audit plan.**

3. Main Report

3.1. Contracts Management

The Audit of Contract Management has been undertaken in accordance with the three year plan which was approved by the Committee in March 2017.

The scope of the audit focused in the following areas:

- To document the processes for formatting a contract, variations to a contract, contract management/monitoring, budget monitoring and management information.
- Identify and test controls are in place within these processes.

Testing was based on contracts that commenced within the financial year 2016/2017 of which there were five. Of these, one was subject to a separate audit review and another was for the delivery of goods and services. For the purpose of this audit only three contracts were reviewed; Banking Telecommunications and Building Maintenance.

Overall Internal Audit was satisfied with Contact Management and with the introduction of guidance should ensure that the responsibilities and obligations are defined and fulfilled as efficiently and effectively as possible.

As a result Internal Audit has made three recommendations all of which have been classified as important and have been agreed by management.

3.2. Key Financial Systems 2016/2017

Every year Internal Audit review all the Key Financial systems as part of the three year cyclical audit plan. As part of this review, a number of key controls are identified and tested to establish compliance. The testing together with the results are then relied upon by the Council's external auditors Ernst and Young.

The internal audit team reviewed the key financial systems detailed as follows:

- Creditors
- Debtors
- Payroll
- Housing Benefits
- Council Tax
- Non Domestic Rates (NDR)
- Cash & Bank

The audit also included some additional control tests which were identified by internal audit and deemed important to the operation of the system i.e. procedure and guidance notes, access rights, parameters updates and data security etc.

This report has been produced to show all the Key Financial Systems and bring together all weaknesses identified during the reviews

Overall there have been improvements in the number of controls operating satisfactorily, however, there a number of controls that need to be re-enforced.

Seven recommendations have been made which have been agreed by management.

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

12.1 Contracts Management

12.2 Key Financial Systems 2016/2017

12.3 Progress Report – Audit Plan

13. Background Papers

13.1 None