

**Agenda Item No:** 6  
**Report To:** AUDIT COMMITTEE  
**Date:** 2 DECEMBER 2014  
**Report Title:** INTERNAL AUDIT INTERIM REPORT  
**Report Author:** Ian Cumberworth



<b>Summary:</b>	This report sets out the Internal Audit Interim report for 2014/2015
-----------------	--

**Key Decision:** No

**Affected Wards:** All

**Recommendations:**

- 1. The Audit Committee notes the results of the results of the work of the Internal Audit team for the first half year, as shown in the attached report.**
- 2. The Audit Committee notes the revised operational audit plan for the remaining year as outlined in the attached plan.**

**Policy Overview:** Internal Audit is a statutory service under the Accounts and Audit Regulations 2011 which state that 'the body must undertake an adequate and effective internal audit of its accounting records and its system of internal control in accordance with the proper practices in relation to internal control' and at least once a year, conduct a review of the effectiveness of its internal audit.

**Financial Implications:** Not directly

**Risk Assessment** Internal audit is a key component of the Council's assurance process which, among other purposes, comments on the effectiveness of the broader risk assessment work undertaken at the authority. If Committee is not satisfied that an effective internal audit service is in operation during 2014/15 it must consider what implications that conclusion has for the assurance it requires on the Council's risk assessment process.

<b>Equalities Impact Assessment</b>	No
<b>Other Material Implications:</b>	None
<b>Exemption Clauses:</b>	None
<b>Background Papers:</b>	Interim Internal Audit Report 2014/15
<b>Contacts:</b>	Ian.cumberworth@ashford.gov.uk – Tel: (01233) 330442

## **Report Title: Internal Audit Interim report**

### **Purpose of the Report**

1. This report is provided in order to allow the Committee to consider the Internal Audit teams progress against the 2014/15 Audit plan.

### **Background**

2. The role of the Audit Committee is required to obtain assurance on the control environment of the organisation; therefore, the Committee needs to have an awareness of the work conducted by Internal Audit, in order to adequately fulfil its duties.
3. The internal control environment comprises the whole network of systems and controls established to manage the Council, to ensure that its objectives are met. It includes financial and other controls, and arrangements for ensuring the Council is achieving value for money from its activities.
4. The Audit Committee needs to be satisfied with the audit arrangements and be aware of the issues arising from audit work. This report summarises the work of the team together with the outcome of follow up reviews to enable members to obtain assurance that agreed recommendations with management have been implemented.
5. The progress of work against the plan agreed by this Committee on March 18 is set out in Appendix 2. Members will note that it is important that the plan remains flexible therefore it has been necessary to make two changes to the original plan in respect of Elections and Courtside.

### **Risk Assessment**

6. The Internal Audit Operational plan set out a series of projects to be covered for 2014/15 to examine the adequacy of the controls that the individual Heads of Service has put in place to manage a very broad range of risks to the delivery of strategic and operational objectives.

### **Equalities Impact Assessment**

7. Not Applicable

### **Other Options Considered**

8. An interim report is considered to be good practice therefore no other option could be recommended.

## **Consultation**

9. All findings and recommendations identified within reviews are consulted on with the appropriate Head of Service and action plans are agreed with management to implement recommendations

## **Implications Assessment**

10. Not Applicable

## **Handling**

11. Not Applicable

## **Portfolio Holder's Views**

12. Not Applicable

**Contact:** Rich Clarke Tel: (01233) 330442

**Email:** rich.clarke@ashford.gov.uk



**MID KENT AUDIT**

**Interim  
Internal Audit  
Report  
2014/15**

**Ashford**



**ASHFORD  
BOROUGH COUNCIL**

## Introduction

Internal audit is an independent and objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes<sup>1</sup>.

Statutory authority for Internal Audit is within the Accounts and Audit Regulations 2011, which require the Council to undertake an adequate and effective internal audit of its accounting records and its systems of internal control in accordance with the 'proper practices'. From 1 April 2013 the 'proper practices' are the Public Sector Internal Audit Standards (PSIAS) that replaced the Code of Practice for Internal Audit in Local Government in the UK.

The Head of Audit Partnership must provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of control, governance and risk. The opinion takes into consideration:

- a) Internal Controls: Including financial and non-financial controls.
- b) Corporate governance: Including effectiveness of measures to counter fraud and corruption, and
- c) Risk Management: Principally, the effectiveness of the Council's risk management framework.

This report provides an update to the Committee across all three areas covered in the opinion and the performance of the Internal Audit service for the first half of the year. In addition, the report provides updates on work conducted by the team, and highlights the impact of our work through assessment of management's work in implementing agreed audit recommendations.

---

<sup>1</sup> This is the definition of internal audit included within the Public Sector Internal Audit Standards

## Internal Control

The system of internal control is a process for assuring achievement of the Council’s objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. It incorporates both financial and non-financial systems.

We obtain audit evidence to support the Head of Audit opinion on internal control principally through completing the reviews set out within our agreed audit plan, approved by this Committee in March 2014.

## Audit Plan Progress

The table below highlights progress against the audit plan by quarter for the first half of the year 2014/15. Since the plan was agreed in March 2014 there have been a number of revisions to the scheduling of audit projects over each quarter. The table below provides a summarised update of progress against the audit plan. (The audit plan is attached in Appendix 2):

Half Year 2014/15		Audit Plan*			Status		
Authority	Quarter work planned to begin	Planned Audits	Revised		Completed	Work in Progress	Not Started
Ashford	Q1	4	4		3	1	-
Ashford	Q2	5	3		0	3	-
Ashford	Q3	3	3		0	1	2
Ashford	Q4	8	8		0	0	8
Ashford	On-going	4	4		0	2	2
<b>Total Assurance Projects</b>					<b>3</b>	<b>7</b>	<b>12</b>

\* See Appendix 2

At the half yearly position the team have completed 3 audit projects, of which 2 include a full assessment and assurance rating. We have 5 projects in progress that we expect to complete by the end of the quarter. The remaining projects (12) are planned to begin towards the end of the year and will be scheduled as appropriate.

Our audit plan must remain a flexible, reactive document capable of adaptation to the changing risks the Council faces as its needs and priorities develop. This year is no exception, and as a result there have been a small number of changes agreed with officers to the audit plan as presented to this Committee in March 2014. We detail these changes within appendix 2.



## Audit Review Findings

In the first half of the year we completed three projects two of which included an assessment and assurance rating. An extract from each report, supporting the conclusion of the audit, is included below. We are pleased to report that officers have accepted our audit findings, and have set target dates for implementing the recommendations. We will follow up that implementation as the recommendations fall due over the coming months.

No.	Head of Service	Title	Assurance Rating
1	Head of Community& Housing	Licensing	<b>STRONG</b>
2	Head of Communication & Technology	ICT Disaster Recovery	<b>WEAK</b>
3	Head of Planning & Development	Greenov Claim 10	<b>N/A</b>

### 1) Licensing

We conclude based on our audit work that the Licensing Service has **STRONG** controls in place to support its objectives.

The Licensing Service effectively administers the processing of licence applications. We found that the Service maintains accurate and complete records of licence applications and maintains a good record of compliance with applicable legislation and regulation. The service collects fees in advance of licences issue, bringing benefits to the Council's cash flow. The service also keeps fees up to date and under review to ensure consistency with legislation, the Council's financial requirements and its policy aims.

### 2) ICT Disaster Recovery

We conclude based on our audit work that ICT Disaster Recovery has **WEAK** controls in place to support its objectives.

The Council's current ICT disaster recovery arrangements have several strengths, including clear integration with wider business continuity plans. Later in 2014 the Council is changing its back up arrangements, which will bring a number of benefits including better geographical separation of facilities. However the effectiveness of these arrangements is unproven as there has been no recent testing, although we note that as the arrangements are in transition to a new provider testing immediately would bring no benefit. Further, the arrangements are not clearly set out in a single place but rather spread among other documents that limit clarity.

Since we reported our findings the Council has progressed plans to move from its current ICT Disaster Recovery Provider to Kent Connects, an arrangement with other local councils. This new arrangement includes provision for testing, which is planned in 2015. We are satisfied, therefore,

that the Council is taking steps in response to our report to improve arrangements and we will assess the implementation of these arrangements in the New Year.

### **3) Greenov claim 10**

The GREENOV project relates to a European grant funding initiative which Ashford Borough Council took on responsibility for from Ashford's Future. In Autumn 2011 Funding from this initiative has been utilised for installing energy efficiency initiatives in St Marys Church and the Gateway buildings to provide sustainable energy efficiency solutions. Mid Kent Audit undertakes the role of Partner First Level Controller and is responsible for auditing and validating any claims prior to submission to the Lead Partner for re-imbusement. Claim 10 was signed off and submitted for re-imbusement

In addition internal audit were involved in supporting the Council in a recent audit being undertaken by European Auditors (DG REGIO Audit) which focused on the work undertaken by the then First Level Controller covering claims 1- 3 that were administered by Ashford's Future. The purpose of the audit was to obtain assurance that the FLC was fulfilling there responsibilities in ensuring sufficient evidences were in place to support the claims and that all costs were legitimate.

## Follow-up of Internal Audit Recommendations

In June 2014 the Audit Committee were asked to agree a revised process for the follow up of audit recommendations. Work has been ongoing throughout the first half of the year to systematically follow-up on all audit recommendations that fell due by the 30 September 2014. The table below sets out our findings from that review.

Project	Agreed Actions	Actions Falling Due by 30-Sep-14	Actions Completed	Outstanding Actions Past Due	Actions Not Yet Due
<b>TOTAL</b>	<b>87</b>	<b>75</b>	<b>75</b>	<b>0</b>	<b>12</b>
			<b>100%</b>		

### Summary of Findings

Of the twelve audit projects followed up in whole or part in this cycle four had originally received an adverse assurance rating of **limited**. In each instance, the service has worked hard to address the issues raised in the audit and to implement all the recommendations falling due by 30 September 2014. We have re-tested the controls as part of this follow up review and conclude that in each case the controls now provide a **substantial** level of assurance. As this review was conducted using the 2013/14 assurance ratings, we have for continuity re-assessed based on the 2013/14 scale.

The Council has successfully implemented all high priority recommendations that were due before 30 September 2014. In some instances we have accepted that recommendations original due before this date have been deferred, but we have only accepted a proposal for deferment following careful consideration of whether the Council is exposed to unacceptable risk as a result. We are, in each case, satisfied that deferral is reasonable and does not bring unacceptable additional risk. We will follow up deferred recommendations as appropriate depending on newly agreed timescales.

That the Council has no non-implemented recommendations of concern is a highly creditable achievement and demonstrates audit and services working closely together to help improve the way the Council conducts its business.

We will follow up actions due after 30 September, including those arising as we complete our 2014/15 audit plan, later in the year. We will provide a final position to Members as part of our Annual Review in June 2015.

# Corporate Governance

Corporate governance is the system of rules, practices and processes by which the Council is directed and controlled.

We obtain audit evidence to support the Head of Audit Opinion through completion of relevant reviews in the audit plan, as well as specific roles on key project and management groups. We also consider matters brought to our attention by Members or staff through whistleblowing and the Council's counter fraud and corruption arrangements.

## Local Audit & Accountability Act 2014

Mid Kent Audit Partnership prepared a response alongside partners on behalf of the four authorities in respect of the CLG consultation on secondary legislation covering areas such as:

- Applying the legislation to smaller authorities (such as parishes),
- Arrangements for allowing collective procurement including the rules around using a 'specified person' to arrange and monitor audit provision,
- Timetable for accounts publication including bringing the publication date forward from 30 September to 31 July, Rights of access for local authority electors, including harmonising a single inspection window and
- Transparency Code for smaller bodies.

This response on the Future of Local Public Audit was considered at Audit Committee on 26 September. At the time of this report CLG is yet to publish its response to consultation responses. We will update the Committee as this area develops.

## Counter Fraud & Corruption

We consider fraud and corruption risks in all of our regular audit projects as well as undertaking distinct activities to assess and support the Council's arrangements. In doing so we work closely with the Council's counter fraud team.

### Investigations

During the first half of 2014/15 there have been no matters raised with us that required investigation either directly by audit or by referral to the Council's counter fraud team.

### Whistle-blowing

The Council's whistleblowing policy nominates internal audit as one route through which Members and officers can safely raise concerns on inappropriate or even criminal behaviour. During 2014/15 so far we have received no such declarations.

## **Investigation Liaison Protocol**

In July we established a joint protocol with colleagues in Personnel setting out roles and responsibilities in the event of matters arising that might require joint or parallel investigations. The purpose of the protocol is to ensure that in the event of an investigation we work seamlessly to ensure that the right outcomes are achieved for the Council. Although no such matters have arisen at Ashford Borough Council we have seen the protocol working effectively to assist investigations undertaken elsewhere in the audit partnership.

## **Governance Policies**

Mid Kent Audit has supported the refresh of the Council's governance policies on Counter Fraud & Governance, Money Laundering, Whistleblowing and the Bribery Act. The June Audit Committee considered and approved these policies.

In October 2014 CIPFA published a new Counter Fraud Code with guidance notes to follow in late November. The Council will be required in its 2014/15 Annual Governance Statement to confirm its adherence to this Code and we will work with the Council's counter fraud team to ensure the Council can make a positive declaration.

## **National Fraud Initiative**

We have continued as co-ordinator of the Council's response to the National Fraud Initiative (NFI). NFI is a statutory data matching exercise, and we are required by law to submit various forms of data, securely, to the Audit Commission. Members may wish to note that the NFI regime will survive the end of the Audit Commission in March 2015 as it will become part of the Cabinet Office's responsibilities.

The 2014/15 NFI exercise includes the following services:

- Creditors
- Payroll
- Housing Benefits
- Licensing
- Parking
- Insurance

The Audit Commission will release matches in January 2015 for investigation. We will report any outcomes in the annual audit report to the Audit Committee later in the year.

## **Audit Commission Fraud Survey 2014**

We co-ordinate and complete the survey and submit the information to the Audit Commission in May each year. There were no issues of concern reported. The results of the survey form part of the Audit Commission's annual publication "Protecting the Public Purse".

## **Attempted Frauds**

So far this year we have helped to investigate a number of attempted frauds across the partner sites, though none with Ashford BC as intended victim. Following on from these investigations though, we have provided guidance and support across the partnership sites to raise awareness and help prepare officers on how to identify and respond so these threats should they occur.

Recent attempts include:

- E-mail spoofing fraud (Spear phishing) – A fraudulent e-mail purporting to be from the Chief Executive was sent to the Finance department requesting a payment be made. The IT department traced the original email address and a notification was sent to officers to remain diligent.
- Phoney requests to change bank details of suppliers – Councils have received a number of requests to change bank details. These are an increasingly common means of attempting fraud; seeking to misdirect a council in routing a payment to the fraudster's account rather than to the genuine supplier. The controls in place over the changing supplier bank details are strong, and officers independently verify any requests to change standing data.

## Risk Management

Risk management is the process of identifying, quantifying and managing the risks that the Council faces in attempting to achieve its objectives.

We obtain audit evidence to support the Head of Audit Opinion through completion of our audit plan plus continuing monitoring of and contribution to the Council's risk management processes.

The Council currently has 11 strategic risks in the following themes:

Risk Scenario 1a	Economic Growth
Risk Scenario 1b	Right mix of quality housing
Risk Scenario 2	Volatile Income streams
Risk Scenario 3a	Community Demands
Risk Scenario 3b	Consequences of Welfare Reform
Risk Scenario 4	Opportunity for Localism
Risk Scenario 5	Workforce Planning
Risk scenario 6	Members, skills, capacity and expertise
Risk Scenario 7	Business Planning
Risk Scenario 8	Housing
Risk Scenario 9	Infrastructure

We continue to facilitate the risk management process and the revised Strategic Risk Register was reported and approved at the September Audit Committee

The Head of Audit Partnership provided training to members on 'Risk Appetite' and further work on this will be linked into the further development of risk management process

We are currently working with the Council to help improve the overall process and clarify the role of the audit service in assisting the Council's risk management. As part of this work, we will work with members and officers to develop a new risk management policy and strategy that will better guide the Council prior to any refresh or review of its strategic risks in 2015, as well as providing clearer management for key operational risks.

We will update the Committee as this work progresses.

## Mid Kent Audit Service Update

During September we agreed a refreshed collaboration agreement between the four Mid Kent Audit authority partners (Maidstone, Swale, Ashford and Tunbridge Wells). All four partners have re-affirmed their commitment to the partnership, and secured the arrangements for the next four and half years. The review and refresh of the collaboration agreement enabled the following improvements:

- Transfer of officers to one single employee (Maidstone).
- Creation of a single shared budget – bringing with it greater opportunity for investment in training and development.
- Re-affirming the role Internal Audit has with regards to counter fraud and risk management.
- A commitment to data sharing between the Councils; allowing us to more clearly highlight and report learning and good practice.

In June we advertised a secondment opportunity across all 4 authorities, and were able to successfully appoint into the role an officer from the Maidstone Finance team. This was the first time that such an opportunity had been offered, and has been a great experience for us. The service has benefited greatly by having an experienced professional from within the Council, and the individual has been able to develop internal audit skills and insight that would not have otherwise been possible.

Looking forward, we aim to continue to grow the service by reinstating the career grade position dormant for more than five years. This will allow us to develop an individual within the team through to a professional qualification.

Three members of the team are currently studying towards professional internal audit qualifications with the Institute of Internal Auditors. We are pleased to report a 100% success rate within the team on IIA exams in 2014/15 and hope to build on that during 2015/16, looking to end that year with more than half the team holding a professional qualification. Also we have a member of the team studying towards the Certificate in International Risk Management that will give us more specialised knowledge and expertise in the field of risk management.

The successful completion of professional studies for the team will mean that Mid Kent audit will hold qualifications in the following areas:

- Internal Audit
- Finance
- Counter fraud and investigation
- Risk Management

Both the Head of the Partnership and Ashford Audit Manager are grateful for the continuing efforts of the audit team who have worked extremely hard over the last six months during a period of significant change and transition. The achievements and improvements in service



standards would not have been possible without their continued commitment, determination and highest levels of professionalism.

## Performance

Aside from the progress against our audit plan we also report against a number of specific performance measures designed to monitor the quality of service we deliver to partner authorities. The Audit Board (with Paul Naylor as Ashford’s representative) considers these measures at each of its quarterly meetings.

Below is an extract of the most recent such performance report. We have withheld only one measure from publication – cost per audit day – as it is potentially commercially sensitive in the event of the Partnership seeking to sell its services to the market. We would be happy, however, to discuss with Members separately on request.

Note that all figures are for performance across the Partnership. Given how closely we work together as one team, as well as the fact we examine services shared across authorities, it is not practical to present authority-by-authority data.

Measure	Outturn	Target & Commentary
Customer satisfaction overall	100%	Based on customer satisfaction survey circulated with each completed audit project.
Customer satisfaction with audit conduct	100%	Based on customer satisfaction survey.
Customer satisfaction with auditor skills	100%	Based on customer satisfaction survey
Chargeable days	72%	Based on the proportion of available days spend on productive work rather than administration, training and so on. General target in local government audit is 70%.
Audits completed on time	36%	Proportion of individual reviews completed according to timescales agreed at the outset of the audit. This is a new practice introduced in 2014/15 and forecasts have not taken adequate account of barriers such as staff availability, but we are developing more flexible approaches in response.
Audits completed on budget	41%	Proportion of individual audit reviews completed within an agreed days budget as set out in the audit plan. This has been impacted by a move to comprehensive time recording which means manager time features in the outturn but not in the budget, but still represents an improvement on the equivalent 2013/14 figure (18%).
Draft report timeliness	12 days (median)	Our target is to provide a draft report within 10 working days of completing fieldwork. This is a new target and drafts are a new addition to the reporting process that is still becoming established.
Final report timeliness	5 days (median)	Our target is to provide a final report within 5 working days of the closing meeting to agree recommendations.
Conformance to Public Sector Internal Audit Standards	50/56	As per report to Members in March 2014. We will be re-assessed by the Institute of Internal Auditors in early 2015 but are currently on track to achieve their recommendations before the end of 2014.
Recommendations implemented on time	100%	As reported elsewhere in this update.

## **Acknowledgements:**

We would also like to thank Managers, Officers and Members for their continued support, assistance and co-operation as we complete our audit work during the year.

## Appendix 1: Assurance & Priority level definitions

### Assurance Ratings 2014/15

<p><b>Strong</b> – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any; recommendations and those will generally be priority 4.</p>	<p><b>Sound</b> – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.</p>	<p><b>Effective Service</b></p>
<p><b>Weak</b> – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.</p>	<p><b>Poor</b> – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.</p>	<p><b>Ineffective Service</b></p>

## Recommendation Ratings 2014/15

**Priority 1 (Critical)** – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

**Priority 2 (High)** – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council's aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

**Priority 3 (Medium)** – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

**Priority 4 (Low)** – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

**Advisory** – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.

## Appendix 2:

### Audit Plan Progress 2014/15

No.	Q	Audit Project	Not Yet Started	Brief Agreed	Fieldwork Commenced	Draft Report	Final Report	Assurance Rating
		<b>Audit Assurance Projects</b>						
1	Q1	Greenov – Claim 10		◆	◆	◆	◆	n/a
2	Q1	ICT – Disaster Recovery		◆	◆	◆	◆	WEAK
3	Q1	Licensing		◆	◆	◆	◆	STRONG
4	Q1	Governance & Ethics		◆	◆			
5	Q2	Cemeteries		◆	◆			
6	Q2	Housing Benefits (Systems)		◆	◆			
7	Q2	Housing Maintenance Contract		◆				
8	Q3	Business Rates (Systems)		◆				
9	Q3	Housing Rents	◆					
10	Q3	Project Office	◆					
11	Q4	Accounts Payable	◆					
12	Q4	Asset Management: Investment Properties	◆					
13	Q4	Council Tax (Systems)	◆					
14	Q4	Economic Development – Portas Markets Funding	◆					
15	Q4	GIS	◆					
16	Q4	Greenov – Claim 11	◆					
17	Q4	Waste Management	◆					
18	Q4	Income Management	◆					
		<b>Other Projects</b>						
19	Q2	National Fraud Initiative		◆	◆			PHASE 1
20	Q3	Strategic Risk		◆				
21	n/a	Farrow Court		◆	◆			
22	n/a	GM – Project Board	◆					

## Changes to the Audit Plan

The Internal Audit plan needs to be flexible and reactive to the changing risks of the Council. As the needs and priorities of the Council change, assurance work is re-directed to ensure that it remains relevant and valuable. The plan is therefore reviewed regularly, and projects are removed, added or deferred accordingly.

Following consultation and agreement with management, it is considered a more valuable use of Internal Audit resources and more valuable assurance to make the following changes to the plan:

No.	Head of Service	Title	Outcome	Reason
1	Legal & Democratic	Elections	<b>DEFERRED</b>	Project has been added to 2015/16 plan at the request of the service.
2	Cultural & Environmental Services	Courtside	<b>DELETED</b>	Original delivery model has been changed and we no longer consider that there is a significant risk warranting audit review. We will reconsider this position periodically, including when drawing together our 2015/16 audit plan in early 2015.