

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	11 December 2013
Subject:	Internal Audit Plan Monitoring Report
Report of:	Graeme Simpson, Policy and Performance Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor Mrs J M Perez
Number of Appendices:	2

Executive Summary:

This report summarises the work undertaken by the Internal Audit team for the period September-November 2013.

Recommendation:

To consider the audit work completed, and the assurance given on the adequacy of internal controls operating in the systems audited.

Reasons for Recommendation:

Internal Audit Work should comply with the Public Sector Internal Audit Standards (PSIAS). These standards state that the Chief Audit Executive (CAE) must report functionally to 'the board' (Audit Committee). This includes reporting on Internal Audit's activity relative to its Plan.

Resource Implications:

None.

Legal Implications:

None.

Risk Management Implications:

If the CAE does not report functionally to the board then this does not comply with the PSIAS.

If there are delays in response to the acceptance/implementation of essential audit recommendations then this potentially increases the risk of fraud or error occurring.

Performance Management Follow-up:

All recommendations made by Internal Audit are followed-up within appropriate timescales to give assurance they have been implemented. The outcome of the follow-up audit is formally reported to the Audit Committee.

Outstanding recommendations made by Internal Audit that are categorised as essential will be proactively monitored through the recommendation template detailed in Appendix 2.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The 2013/14 Internal Audit Plan was approved at Audit Committee on 20 March 2013. This is the second monitoring report for the year and summarises Internal Audit work undertaken for the period September 2013 – November 2013. It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that the Chief Audit Executive (Policy and Performance Group Manager) reports formally to the 'board' (Audit Committee).

2.0 INTERNAL AUDIT WORK FOR THE PERIOD

- 2.1** As at 30 November 2013, good progress is being made towards completion of the annual Audit Plan and the 90% target completion of the Plan will be achieved. A resourcing issue within the team should be brought to the attention of the Committee. The Internal Audit Plan is delivered by two full time Performance and Audit Officers. One of these Officers is currently working part time (18.5hrs per week) and this arrangement will be reviewed at the end of December. To mitigate this reduction in hours, and so there is no adverse impact on the Plan, the following have been implemented : -
- an amount of overtime being undertaken by the other Performance and Audit Officer;
 - a reciprocal working arrangement with a neighbouring authority has been brought forward from March 2014; and
 - the allocation of budget savings to buy in additional resource.
- 2.2** The work undertaken in the period is detailed in Appendix 1. This provides a summary of the activity audited, the control objectives for each activity and the audit opinion for each control objective. Also included is the outcome of any follow-up audits undertaken in the period and whether the audit recommendations have been implemented.
- 2.3** When reporting, a 'split' opinion is given. This means individual opinions are given for different parts of the system being audited. This approach enables Internal Audit to identify to management specific areas of control that are operating or not. Assurance opinions are categorised as 'good', 'satisfactory', 'limited' and 'unsatisfactory'. It is pleasing to report that of the systems audited there are no audit opinions of a 'limited' or 'unsatisfactory' nature.

2.4 The Committee also receives information on 'essential' audit recommendations that have not been implemented. These have been identified through the undertaking of follow-up audits. Essential recommendations that remain outstanding as a result of follow-up work are detailed in Appendix 2. Additional comments relating to the progress of implementing the recommendations have been obtained from the appropriate Manager(s) and are included in the table. Changes from the previously reported position are shown in bold type.

3.0 CORPORATE IMPROVEMENT WORK

3.1 Included within the 2013/14 Internal Audit Plan is an allocation of days to undertake corporate improvement work. As reported previously to the Committee, the Policy and Performance Team can collectively identify corporate type activities that may have 'stagnated' or need resolving. Corporate Leadership Team and Group Managers are aware of this allocation of days and have been encouraged to put forward suggestions where the team may help. Work undertaken during the period can also be found in Appendix 1.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 All Managers are consulted prior to the commencement of the audit to agree the scope and each Manager has the opportunity to complete a client survey at the end of the audit.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Internal Audit Charter and Internal Audit Annual Plan.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 None.

8.0 RESOURCE IMPLICATIONS (Human/Property)

8.1 None.

9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

9.1 None.

10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

10.1 Internal Audit contributes to VFM through its improvement work.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 None.

Background Papers: None

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Appendices: Appendix 1 – Audit work undertaken September – November 2013
Appendix 2 – Outstanding audit recommendations categorised as
'essential'