

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	10 December 2014
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:	3

Executive Summary:

This report is the second monitoring report of 2014/15 and summarises the work undertaken by the Internal Audit team for the period September to November 2014.

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:

The work of Internal Audit Work complies with the Public Sector Internal Audit Standards (PSIAS). These standards state that the Chief Audit Executive (CAE) must report functionally to the board. 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. All recommendations made by Internal Audit are now reported to the Audit Committee and these can be found in Appendix 3.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The 2014/15 Internal Audit Plan was approved at Audit Committee on 19 March 2014. This is the second monitoring report for the year and summarises Internal Audit work undertaken for the period September 2014 to November 2014. It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that the Chief Audit Executive (Group Manager Policy and Performance) reports formally to the 'board' (Audit Committee).

2.0 INTERNAL AUDIT WORK FOR THE PERIOD

- 2.1** The work undertaken in the period is detailed in Appendix 1. This provides commentary on the activity audited, the control objectives for each activity and the audit opinion for each control objective.
- 2.2** A list of the audits within the 2014/15 Audit Plan and their progress to date can be found in Appendix 2. From the current status of the plan, then the team is on course to achieve the minimum 90% target completion of the plan.
- 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'. For the period being reported, all audit opinions have been given either a good or satisfactory level of control.
- 2.4** As reported to the Audit Committee in March, details of all audit recommendations have been included within this monitoring report. This will help provide the Committee with an overview of the breadth of work undertaken and allow the Committee to monitor the implementation of the audit recommendations. The list of recommendations and their status can be found in Appendix 3.

NB: Recommendations that have been previously reported to the Audit Committee as implemented have been removed from the template.

3.0 CORPORATE IMPROVEMENT WORK

- 3.1** Included within the 2014/15 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 or work to be programmed can also be found in Appendix 1.

4.0 FRAUD/CORRUPTION/THEFT

- 4.1** No incidents have been reported during the period.

5.0 PARTNERSHIP ARRANGEMENT WITH TEWKESBURY TOWN COUNCIL

- 5.1** It was reported to Audit Committee on 24 September 2014 that there had been a request from Tewkesbury Town Council for its internal audit work to be undertaken by the Borough Council's Internal Audit Team. This has been approved by the Corporate Leadership Team and the number of days required for 2014/15 (estimated between 5-7

days) can be absorbed within the capacity of the team. The Town Council will be recharged for the work undertaken. Future work for 2015/16 will be formally allocated when putting together next year's Audit Plan. A meeting was held with the Town Clerk on 23 October 2014 to discuss the scope of the audit. Based on these discussions, it is felt 10 days is an appropriate number of days. The audit has only just formally commenced and, as agreed at the previous Audit Committee, the actual number of days taken will be reported.

6.0 OTHER OPTIONS CONSIDERED

6.1 None.

7.0 CONSULTATION

7.1 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.

8.0 RELEVANT COUNCIL POLICIES/STRATEGIES

8.1 Internal Audit Charter and Internal Audit Annual Plan.

9.0 RELEVANT GOVERNMENT POLICIES

9.1 None.

10.0 RESOURCE IMPLICATIONS (Human/Property)

10.1 None.

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

11.1 None.

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

12.1 Internal Audit contributes to VFM through its improvement work.

13.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

13.1 None.

Background Papers: None

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Appendices: Appendix 1 – Audit work undertaken September-November 2014
Appendix 2 – Audit Plan progress
Appendix 3 – Summary of recommendations