

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	18 March 2015
<b>Subject:</b>	Internal Audit Plan Monitoring Report
<b>Report of:</b>	Graeme Simpson, Policy and Performance Group Manager
<b>Corporate Lead:</b>	Mike Dawson, Chief Executive
<b>Lead Member:</b>	Councillor Mrs J M Perez
<b>Number of Appendices:</b>	3

## **Executive Summary:**

This report is the third monitoring report of 2014/15 and summarises the work undertaken by the Internal Audit team for the period December 2014 to February 2015.

## **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 third monitoring report for the year and summarises Internal Audit work undertaken for the period December 2014 to February 2015. 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 previously reported to the Audit Committee, 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. Note: 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 HEALTH AND SAFETY WORK**

- 4.1** It was previously reported to Audit Committee that the Council's Environmental Safety Officer (ESO) would be 'seconded' to the Internal Audit team to undertake Health and Safety Audits. The audits would be undertaken using the methodology used by Internal

Audit. Health and Safety is a key part of the Councils' governance framework and findings from the audits will be formally reported to the Audit Committee. It was anticipated that the outcome of the first audit would have been reported before the end of 2014. The reason why this date has not been achieved is due to the ESO being involved in a significant health and safety investigation. The first of the audits, 'risk assessments including asbestos and legionella' is now at draft report stage and will be reported to the Audit Committee in June.

## **5.0 FRAUD/CORRUPTION/THEFT/WHISTLEBLOWING**

5.1 No incidents have been reported during the period.

## **6.0 PARTNERSHIP ARRANGEMENT WITH TEWKESBURY TOWN COUNCIL**

6.1 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. The audit work is currently at draft report stage and findings are currently being reviewed by the Policy and Performance Group Manager. A total of 12 days has been incurred on the audit.

## **7.0 OTHER OPTIONS CONSIDERED**

7.1 None.

## **8.0 CONSULTATION**

8.1 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.

## **9.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

9.1 Internal Audit Charter and Internal Audit Annual Plan.

## **10.0 RELEVANT GOVERNMENT POLICIES**

10.1 None.

## **11.0 RESOURCE IMPLICATIONS (Human/Property)**

11.1 None.

## **12.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

12.1 None.

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

13.1 Internal Audit contributes to Value for Money through its improvement work.

**14.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

**14.1** None.

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**Background Papers:** None

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**Appendices:** Appendix 1 – Audit work undertaken December 2014 - February 2015  
Appendix 2 – Audit Plan progress  
Appendix 3 – Summary of recommendations.