

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	21 September 2017
Subject:	Internal Audit Plan Monitoring Report
Report of:	Graeme Simpson, Head of Corporate Services
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor D J Waters, Leader of the Council
Number of Appendices:	3

Executive Summary:

The monitoring report is the first update report of internal audit activity for 2017/18. The report details the findings and opinions given by internal audit for completed audits within the audit plan.

Recommendation:

To CONSIDER the internal audit findings and opinions on the work completed in the period and the assurance given on the adequacy of internal controls operating in the systems audited.

Reasons for Recommendation:

The work of internal audit 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 arising directly from this report.

Legal Implications:

None

Risk Management Implications:

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

If there are delays in response to the acceptance/implementation of essential audit recommendations then this potentially increases the risk of fraud, error, inefficiency or areas of non-compliance remaining within the systems audited.

Performance Management Follow-up:

All recommendations made by internal audit are followed up within appropriate timescales to give assurance they have been implemented. Recommendations made by internal audit are reported to the Audit Committee and those followed up in the period can be found in Appendix 3.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The 2017/18 internal Audit Plan was approved at Audit Committee on 22 March 2017. This monitoring report is the first monitoring report of the 2017/18 financial year and summarises the audit work for the audits undertaken as part of the 2017/18 annual plan. It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that the Chief Audit Executive (Head of Corporate Services) 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. The status of all audits can be found in Appendix 2.
- 2.2** When reporting, a 'split' opinion can be given. This means an individual opinion can be 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'. With regards to the opinions issued for the period, all have a positive audit opinion.
- 2.3** Audit recommendations due to be followed up in quarter two of 2017/18 have been included within this monitoring report. This provides the Committee with an overview of the breadth of work undertaken and allows Members to monitor the implementation of the audit recommendations. The list of these recommendations and their status can be found in Appendix 3. Of the 16 recommendations followed up during the period, 7 have been implemented. 2 partially implemented and 7 yet to be implemented. Of the recommendations not implemented, the bulk of these relate to the Ubico client monitoring audit. A report from the Head of Community Services on the progress in implementing the Ubico related recommendations is a separate Agenda item.

3.0 FRAUD/CORRUPTION/THEFT/WHISTLEBLOWING

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

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 comment on the draft report and 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 value for money 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 to date for 2017/18
Appendix 2 – Status of 2017/18 Audit Plan
Appendix 3 – Summary of recommendations reviewed in 2017/18 Quarter 2