

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	14 December 2016
<b>Subject:</b>	Internal Audit Plan Monitoring Report
<b>Report of:</b>	Graeme Simpson, Head of Corporate Services
<b>Corporate Lead:</b>	Mike Dawson, Chief Executive
<b>Lead Member:</b>	Councillor R J E Vines, Leader of the Council
<b>Number of Appendices:</b>	3

## **Executive Summary:**

This is second monitoring report of the financial year and summarises the work undertaken by and the assurance opinions given by Internal Audit for the period September– November 2016.

## **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 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. All recommendations made by Internal Audit are reported to the Audit Committee and these can be found in Appendix 3.

## **Environmental Implications:**

None.

## **1.0 INTRODUCTION/BACKGROUND**

- 1.1** The 2016/17 Internal Audit Plan was approved at Audit Committee on 23 March 2016. This is the second monitoring report of the financial year and summarises the work undertaken by and the assurance opinions given by Internal Audit for the period September to November 2016. It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that the Chief Audit Executive (Group Manager 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.
- 2.2** A list of the audits within the 2016/17 Audit Plan and their progress to date can be found in Appendix 2.
- 2.3** 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, all have a positive audit opinion except for the audit relating to the Ubico monitoring arrangements which has a combination of 'limited' and 'unsatisfactory' opinions.
- 2.4** All audit recommendations have been included within this monitoring report. This provides the Committee with an overview of the breadth of work undertaken and allows the Committee to monitor the implementation of the audit recommendations. The list of recommendations and their status can be found in Appendix 3. Recommendations that have been previously reported to the Audit Committee as implemented have been removed from the template.
- 2.5** The Audit Plan has seen a degree of slippage due to sickness absence. The Internal Audit team is small in size (2 x FTE) so any significant absence can affect the resilience of the team. To enable the plan to get back on track, the Finance team have provided a manpower resource to the Internal Audit team. A member of the Finance team has recently received hands on training of the audit process and has completed their first audit.

## **3.0 FRAUD/CORRUPTION/THEFT/WHISTLEBLOWING**

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

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

- 4.1** The partnership arrangement with the Town Council is on a one year rolling programme. Formal written notice to terminate this agreement by either party should be given by 31 December 2016. The Council's Internal Audit team are supportive of this arrangement unless otherwise notified by Tewkesbury Town Council.

## **5.0 OTHER OPTIONS CONSIDERED**

- 5.1** None.

**6.0 CONSULTATION**

**6.1** 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.

**7.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**7.1** Internal Audit Charter and Internal Audit Annual Plan.

**8.0 RELEVANT GOVERNMENT POLICIES**

**8.1** None.

**9.0 RESOURCE IMPLICATIONS (Human/Property)**

**9.1** None.

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

**10.1** None.

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

**11.1** Internal Audit contributes to VFM through their improvement work.

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

**12 .1** None.

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**Background Papers:** None

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**Appendices:** Appendix 1 – Audit work undertaken September- November 2016  
Appendix 2 – Audit Plan progress  
Appendix 3 – Summary of recommendations