

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	22 March 2017
Subject:	Internal Audit Plan Monitoring Report
Report of:	Graeme Simpson, Head of Corporate Services
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor R J E Vines, Leader of the Council
Number of Appendices:	3

Executive Summary:

The monitoring report summarises the work undertaken by and the assurance opinions given by Internal Audit for the period December 2016 – February 2017.

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 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 other than to note that the Internal Audit service to the Tewkesbury Town Council was terminated in accordance with the agreement dated 12 December 2014.

Legal Implications:

None arising directly from this report other than to note that the Internal Audit service to the Tewkesbury Town Council was terminated in accordance with the agreement dated 12 December 2014.

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 monitoring report summarises the work undertaken, and the assurance opinions given, by Internal Audit for the period December 2016 to February 2017. 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.

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 insurances. The limited opinion relates to the cascading of insurance conditions to relevant staff.

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.

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

2.5 As reported at the previous meeting, the Audit Plan had seen a degree of slippage due to sickness absence. The Internal Audit team is small in size (2 full time equivalents) so any significant absence can affect the resilience of the team. To help the plan to get back on track, the Finance team provided a manpower resource to the Internal Audit team and completed two audits.

2.6 One member of team has recently departed on maternity leave. A secondment arrangement is in place for this to be covered and a period of training and development will be required in the interim.

2.7 Additional work carried out by the Internal Audit team included corporate improvement in connection with the new vehicles agreement between UBICO and the Council. The team also took part in presenting an overview of the role of internal audit to Councillors on 7 February 2017.

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 Council has received notification from the Tewkesbury Town Council Clerk of the decision to terminate the contract for the provision of the Borough Council's internal audit function. This was a decision made at the Tewkesbury Town Council Finance and Staffing Committee held on 13 February 2017. A total of 20 days are allocated for this provision.

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
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 value for money through its improvement work.

12.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

12.1 None.

Background Papers: None

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Appendices: Appendix 1 – Audit work undertaken December 2016-November 2017
Appendix 2 – Audit Plan progress
Appendix 3 – Summary of recommendations