

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	18 July 2018
<b>Subject:</b>	Internal Audit 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 E J MacTiernan, Lead Member for Corporate Governance
<b>Number of Appendices:</b>	2

## **Executive Summary:**

The monitoring report is the final update report of the 2017/18 Internal Audit Plan. It summarises the work of Internal Audit since the last report to Audit Committee on 28 March 2018. Appendix 1 sets out the internal audit opinion for each individual audit assignment together with an overview of the corporate improvement work undertaken in the period. Appendix 2 provides details of previous audit recommendations that have been followed-up and, by using a Red, Amber, Green (RAG) key, identifies whether the recommendations have been implemented or not.

## **Recommendation:**

**To CONSIDER the internal 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 broadly 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:**

By monitoring the implementation of their recommendations, internal audit assists the Council to minimise risk areas and thereby reduce the prospects of legal challenge.

**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 internal 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.

**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 final report of the 2017/18 Internal Audit Plan and summarises the internal audit work undertaken since the last report to Audit Committee on 28 March 2018. 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) on the work of internal audit.

**2.0 COMPLETED AUDIT ASSIGNMENTS 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. An overview of any corporate improvement work undertaken is also detailed in Appendix 1.
- 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, it is pleasing to report that all have a positive audit opinion. Where recommendations have been made, these have all been accepted by management and dates for implementation agreed. When the implementation dates are triggered, these will be followed up by internal audit and the status of implementation reported to Audit Committee.

**3.0 FOLLOW-UP OF INTERNAL AUDIT RECOMMENDATIONS**

- 3.1** All audit recommendations that were due to be followed-up in the period have been followed-up. 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 these recommendations and their status can be found in Appendix 2. Of the 22 recommendations followed-up during the period, 14 have been implemented, four partially implemented and four yet to be implemented. Of the recommendations not yet implemented, two are categorised as 'high'. These both relate to the trade waste service.

#### **4.0 FRAUD/CORRUPTION/THEFT/WHISTLEBLOWING**

- 4.1 No incidents have been reported during the period. For the Committee to note, the Gloucestershire County Fraud Unit ran two sessions for staff on general fraud awareness in March 2018.

#### **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 comment on the draft report and 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 – 2017/18 Audit work undertaken in the period  
Appendix 2 – Summary of recommendations reviewed in the period