

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	28 March 2019
Subject:	Internal Audit Monitoring Report
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Member:	Lead Member Corporate Governance
Number of Appendices:	3

Executive Summary:

The monitoring report provides the Audit and Governance Committee with the findings of the individual audit assignments undertaken for the period December 2018 to February 2019 and the status of internal audit recommendations that have been followed-up within the period. Appendix 1 is the internal audit opinion for each individual audit assignment completed 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. All recommendations that were due for follow-up, have been followed-up. Appendix 3 provides an overview on the status of the Internal Audit Plan.

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:

As confirmed from the internal audit peer assessment completed during 2017/18, the work of internal audit is in broad compliance 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 or implementation of internal audit recommendations, this potentially increases the risk of fraud, error, inefficiency or areas of non-compliance within the systems audited.

Performance Management Follow-up:

All internal audit recommendations are followed-up within appropriate timescales to give assurance they have been implemented. Where a recommendation has not been implemented and it has missed two agreed implementation dates then a responsible officer must attend committee to answer any questions that arise.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 Internal audit work to a six month audit plan. Six monthly plans were approved by Audit Committee on 28 March 2018 and 19 September 2018. This monitoring report summarises the work of the Internal Audit team since the last monitoring report that was presented at Audit Committee on 12 December 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 and Governance Committee) on the work of internal audit.

2.0 COMPLETED AUDIT ASSIGNMENTS FOR THE PERIOD

2.1 In relation to the individual audits within the approved plans, the findings of those audits completed during the period December 2018 and February 2019 can be found in Appendix 1. This provides commentary on the activity audited, risk identification, the level of control in place to mitigate that risk, the overall audit opinion and any related recommendations.

2.2 When reporting, a 'split' opinion can be given. This means an individual opinion is given for each risk category identified. 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, a 'limited' opinion has been issued on the following audits:

- Ubico client monitoring (budgetary control framework)
- Community Infrastructure Levy (governance)
- General Data Protection Regulation (privacy notices)

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 15 recommendations followed-up during the period, 12 have been implemented, one partially implemented with two yet to be implemented. Two of the three recommendations which are either partially or not implemented have now been followed-up twice and officers have been requested to attend this meeting in accordance with Committee requirements.

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 their improvement work.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11 .1 None.

Background Papers: None

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Appendices: Appendix 1 – 2018/19 Audit Work (December 2018 – February 2019)
Appendix 2 – Audit recommendations followed-up (Qtr 4)
Appendix 3 – Overview status of Audit Plan 2018/19