

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	22 January 2020
<b>Subject:</b>	Internal Audit Monitoring Report
<b>Report of:</b>	Chief Audit Executive (Head of Corporate Services)
<b>Corporate Lead:</b>	Chief Executive
<b>Lead Member:</b>	Lead Member Corporate Governance
<b>Number of Appendices:</b>	3

## **Executive Summary:**

The monitoring report provides the Audit and Governance Committee with an overview of the work completed by Internal Audit in the period. This includes a level of assurance as to how well the internal control environment is managed for each audit assignment undertaken. The report also provides an overview of the progress in implementing Internal Audit recommendations that were due for completion. Appendix 1 is the Internal Audit opinion for each individual audit assignment completed in the period. Appendix 2 provides details of 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. Appendix 3 is an overview of the status of the Internal Audit Plan.

## **Recommendation:**

**To consider the Internal Audit work undertaken and the assurance given on the adequacy of internal controls operating in the systems audited.**

## **Reasons for Recommendation:**

The Public Sector Internal Audit Standards (PSIAS) state that the Chief Audit Executive (CAE) must report functionally to 'the board' (Audit and Governance Committee). 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 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. The monitoring report provides the Audit and Governance Committee with an overview of the work completed by Internal Audit in the period. This includes a level of assurance as to how well the internal control environment is managed for each audit assignment undertaken. The report also provides an overview of the progress in implementing Internal Audit recommendations that were due for completion.

**2.0 COMPLETED AUDIT ASSIGNMENTS FOR THE PERIOD**

2.1 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'. The audit opinions can be found in Appendix 1. There is one 'limited' opinion in relation to adherence to the corporate GDPR retention policy.

**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 Members to monitor the implementation of the audit recommendations. The list of these recommendations and their status can be found in Appendix 2. Of the 20 recommendations followed-up during the period, 12 have been implemented, five partially implemented with three yet to be implemented. With regards to those not yet fully implemented, all but one have missed their original implementation date for the first time only. In relation to the recommendations partially implemented or yet to be implemented, revised implementation dates have been agreed.

**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. The status of audit recommendations are reported on a regular basis to Corporate Management Team.

## **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 VFM through their improvement work.

## **11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

**11 .1** None.

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**Background Papers:** None

**Contact Officer:** Head of Corporate Services  
01684 272002 Graeme.simpson@tewkesbury.gov.uk

**Appendices:** Appendix 1 – Completed audit opinion  
Appendix 2 – Audit recommendations followed-up  
Appendix 3 – Overview of Internal Audit Plan