

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	29 July 2020
<b>Subject:</b>	Internal Audit Plan 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>	2

## **Executive Summary:**

The monitoring report provides the Audit and Governance Committee with an overview of the work completed by internal audit since the last report to Committee on 22 January 2020 and up until mid-March 2020. This report was originally an Agenda item for the meeting dated 25 March 2020 but this meeting was cancelled as a result of the COVID-19 lockdown. For each audit assignment undertaken and reported this provides and assurance opinion on how well the internal control environment is managed for that particular activity (see Appendix 1).

The report also provides an overview of the progress in the implementation by management of agreed internal audit recommendations that were due for implementation within the period (see Appendix 2). As a result of COVID-19, the Committee should note that the whole suite of internal audit recommendations are to be reviewed with responsible officers to determine the feasibility of implementation dates and if recommendations remain relevant.

## **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 Public Sector Internal Audit Standards (PSIAS) 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 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 'unsatisfactory' opinion. This relates to the administration of Discretionary Housing Payments within the Revenues and Benefits service. The detail of how and why this conclusion was reached can be found at Appendix 1.

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

3.1 Of 15 recommendations that were due to be followed-up, 11 were actually followed-up. Of the 11, six were confirmed as implemented, two yet to be implemented and three partially implemented. The list of these recommendations and their status can be found in Appendix 2. The red, amber, green (RAG) coding indicates what has or has not been implemented. Four recommendations assigned to services managed by the Head of Community Services were unable to be followed-up at the time. This was a result of resources within this service area being deployed to the flood emergency response. In relation to the recommendations partially implemented or yet to be implemented, revised implementation dates were agreed at the time of the follow-up audit. As reported, these will need to be revised again in light of the impact of COVID-19 upon service delivery.

#### **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 value for money through its improvement work.

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

11.1 None.

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**Background Papers:** None

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**Appendices:** Appendix 1 – Completed audit opinion  
Appendix 2 – Audit recommendations followed-up