

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	20 July 2022
Subject:	Internal Audit Monitoring Report
Report of:	Chief Audit Executive (Head of Corporate Services)
Corporate Lead:	Chief Executive
Lead Member:	Lead Member Corporate Governance
Number of Appendices:	1

Executive Summary:

The monitoring report provides the Audit and Governance Committee with an overview of the internal work completed in the period. The audit assignment work reported in Appendix 1 should provide confidence that the internal audit service is operational now resources have been released from the COVID-19 business cell.

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. 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. This includes a level of assurance as to how well the internal control environment is managed for each audit assignment undertaken. The work undertaken to date should provide confidence to Members that the internal audit service is operational now resources have been released from the COVID-19 business cell. Attached at Appendix 1 is the work completed in the period.

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 'substantial, reasonable, limited, no assurance'. The audit opinions can be found in Appendix 1. There is one 'limited' opinion in relation to sundry debtor recovery. There were minimal recommendations to be followed up during the quarter – of the two that required follow-up this work was undertaken and one recommendation confirmed as implemented (project management) and one recommendation as outstanding (fraud risk registers). The latter is touched upon within the report of the Counter Fraud and Enforcement Unit, an Agenda item for today's meeting.

2.2 In terms of work in progress, audits currently being undertaken are:

- Car parks.
- Test and Trace grant declaration.
- Winchcombe TIC banking procedures.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 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 is reported on a regular basis to Corporate Management Team.

- 5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**
- 5.1 Internal Audit Charter and Internal Audit Annual Plan.
- 6.0 RELEVANT GOVERNMENT POLICIES**
- 6.1 None.
- 7.0 RESOURCE IMPLICATIONS (Human/Property)**
- 7.1 None.
- 8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 8.1 None.
- 9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 9.1 Internal Audit contributes to VFM through their improvement work.
- 10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 10.1 None.

Background Papers: None

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Appendices: Appendix 1 – Completed audit opinions