

INTERNAL AUDIT 2017/18 - SECOND PROGRESS REPORT

Audit Committee - 9 January 2018

Report of Chief Finance Officer

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Delivery of the Corporate Plan

Portfolio Holder Cllr. John Scholey

Contact Officer Lisa Nyon, Ext. 3004

Recommendation to Audit Committee: That

- a) Members note the contents of the report and the progress made by the Internal Audit Team in delivering the 2017/18 Annual Internal Audit Plan; and
- b) Members approve the amendments to the internal Audit Plan 2017/18.

Reason for recommendation: The Audit Committee is required to review the progress of the Internal Audit Plan and approve amendments to the Annual Plan in compliance with its terms of reference.

Introduction

- 1 This report provides details of the progress of the Internal Audit Team in delivering the Annual Internal Audit Plan 2017/18 and outcomes of final Internal Audit reports issued since the meeting of the committee in September 2017.
- 2 The Internal Audit function is a key process of the Council's overall governance arrangements. Its key purpose is to conduct independent reviews of the Council's system of internal controls and to provide an assurance to both Senior Management and Members regarding the effectiveness of such systems. In fulfilling her duty and responsibilities, the Acting Audit, Risk and Anti-Fraud Manager, is required to report the progress made in delivering the assurance requirements to the Audit Committee, in accordance with regulatory requirements and relevant professional standards.

Summary of Issues Raised Within the Report:

- 3 A summary of progress made towards delivering the assurance requirements for 2017/18 is attached as Appendix A to this report, which sets out details of the reviews agreed by the Audit Committee in April 2017. Members may note that eighteen reviews have commenced, twelve have been finalised and the remaining six are in progress.
- 4 Appendix B sets out details of the final reports which have been issued since the last meeting of this committee. It also provides a brief summary of the findings and recommendations agreed with service management, to address any areas for further improvements required to strengthen internal controls. Further details on any of the issues raised on the report summaries would be provided to Members of this Committee on request.
- 5 The definition of the standard Internal Audit opinions are detailed in Appendix C, where a single opinion will be given, which will either be: Full Assurance; Substantial Assurance; Limited Assurance or No Assurance.

Amendments to the Audit Plan

- 6 Members are advised that two reviews from the 2017/18 Internal Audit Plan have been deferred to 2018/19 at the request of Management and with the agreement of the Audit Chair. These audits are the Private Sector Letting Scheme and Channel Shift. These reviews are shown as items 11 and 24 on Appendix A.

Internal Audit Resources

- 7 There has been no change in the resourcing of the Internal Audit Team since the last committee meeting. The Audit, Risk and Anti-Fraud Manager post remains vacant and as a result, the Principal Auditor has stepped up into the role of Acting Audit Manager as well as fulfilling her duties as Principal Auditor. There remains an auditor vacancy within the team due to a resignation last year, however this, is being filled by a member of staff on a temporary contract.

Progress of Internal Audit Improvement Plan

- 8 Members may also be pleased to note that the TeamMate electronic audit management software continues to progress well and all audits for the year 2017/18 are being recorded and completed using this software.

Key Implications

Financial

None.

Legal Implications and Risk Assessment Statement.

No additional legal implication beyond the Council's duty to comply with the Accounts and Audit Regulations 2015.

The Council is required to comply with the requirements of the Accounts and Audit Regulations 2015, regarding its arrangements for Internal Audit, in order to ensure fitness for purpose and taking into account the Public Sector Internal Audit Standards and professional guidance. Training and development needs have been identified, to enable all staff to be equipped with the relevant skills required to perform their roles effectively.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusion

This report sets out progress of the Internal Audit Team in delivering the Council's assurance requirements for 2017/18 and provides a summary of final reports issued since the meeting of the Audit Committee in April 2017.

Appendices Appendix A - Progress Against 2017/18 Plan
 Appendix B - Summary of Final Reports Issued
 Appendix C - Audit Opinions - Definitions 2016/17 onwards

Background Papers: [Internal Audit Annual Plan for 2017/18](#)
 New Public Sector Internal Audit Standards
 <http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards>
 Accounts and Audit Regulations 2011
 <http://www.legislation.gov.uk/uksi/2011/817/contents/made>

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