GOVERNANCE COMMITTEE

28th JANUARY 2014

REPORT OF HEAD OF WELLAND INTERNAL AUDIT CONSORTIUM

INTERNAL AUDIT UPDATE

1.0 **PURPOSE OF REPORT**

- 1.1 To update Members on the performance of the Consortium and on the development and delivery of the 2013/14 Audit Plan.
- 1.2 To provide Members with an opportunity to outline the Committee's assurance requirements for the coming year as part of the process of developing the 2014/15 Internal Audit Plan.
- 1.3 To obtain Member endorsement for the Internal Audit Protocol

2.0 **RECOMMENDATIONS**

- 2.1 That Members note the report and consider whether the performance information it contains, and the way in which that information is presented, meets the needs of the Committee
- ^{2.2} That Members provide guidance on any areas they wish to be considered for inclusion in the 2014/15 Audit Plan.
- 2.3 That Members endorse the Internal Audit Protocol (shown as Appendix A.3)

3.0 UPDATE ON THE INTERNAL AUDIT PLAN

3.1 Details of assignments delivered; days delivered against Plan and the developing map of assurance are shown in Appendix A. In brief, delivery of the current year's Plan is behind schedule because of time spent on completion of the 2012/13 Plan (as a result of staffing issues previously reported) and because the delivery of the Improvement Plan has been treated as a priority. The Consortium has put in place arrangements to deliver the remainder of the Plan and has allocated the auditors and auditor days needed to complete the outstanding work (to at least Discussion Draft stage) by 31st March.

4.0 DELIVERY OF THE IMPROVEMENT PLAN

- 4.1 Following an external review by RSM Tenon, the Welland Audit Board endorsed an Improvement Plan designed to address all of the review's recommendations so that the Consortium could demonstrate that it operates in full conformance with the relevant Standards and, more importantly, to improve the quality of work delivered to the Council. One of the action points related to the quality and content of reports to Audit Committees and the Appendix to this report demonstrates changes made to address this point.
- 4.2 At the most recent meeting of the Board, the Head of Consortium was able to confirm that the actions set out in the Improvement Plan have been substantially completed and the Board is now working to satisfy itself that the Head of Consortium's actions have delivered the necessary changes and improvements.

5.0 POLICY AND CORPORATE IMPLICATIONS

5.1 Delivery of the Improvement Plan and substantial completion of the 2013/14 by 31st March will allow for the delivery of a higher quality service in 2014/15 and future years.

6.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

6.1 There are no financial or other resource implications arising directly from this report.

7.0 LEGAL IMPLICATIONS/POWERS

7.1 There are no legal implications arising directly from this report

8.0 COMMUNITY SAFETY

8.1 There are no Community Safety implications arising directly from this report

9.0 EQUALITIES

9.1 There are no Equalities implications arising directly from this report

10.0 **RISKS**

- 10.1 If Members, discharging the role of the Council's Audit Committee, do not demonstrate that they are engaged in effective oversight of the internal audit function and proper consideration of the evidence produced by internal audit about risk management and the effectiveness of controls, the Council's governance arrangements may be compromised. Failure to demonstrate engagement may also result in adverse reporting from the Council's External Auditor.
- 10.2 If the 2013/14 Plan is not completed in full by 31st March or, where audit contractors are involved, not completed using the Consortium's 2013/14 budget then capacity to deliver the 2014/15 Plan would be compromised. At the time of reporting, the amount of work remaining is such that impact could only be negligible.

Probability				
Very High A				
High B				
Significant C				
Low D	2	1,		
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	l Catast- rophic

Risk No.	Description
1	Failure to demonstrate effective engagement and oversight
2	Delay in completing the 2013/14 Annual Audit Plan

Impact

11.0 CLIMATE CHANGE

11.1 There are no Climate Change implications arising directly from this report

12.0 CONSULTATION

12.1 N/A

13.0 WARDS AFFECTED

13.1 All wards are indirectly affected by the report

Contact Officer Date:	Richard Gaughran 17/1/14
Appendices :	1
Background Papers:	N/A
Reference :	N/A