

GOVERNANCE COMMITTEE**7th FEBRUARY 2017****REPORT OF HEAD OF WELLAND INTERNAL AUDIT CONSORTIUM****INTERNAL AUDIT UPDATE****1.0 PURPOSE OF REPORT**

- 1.1 To update Members on progress made in delivering the 2016/17 Annual Audit Plan and key findings arising from audit assignments completed.

2.0 RECOMMENDATIONS

- 2.1 **That Members note the report and progress made by the Internal Audit team in delivery of the Audit Plan.**
- 2.2 **That Members approve the proposed amendment to the Audit Plan for 2016/17, to defer the audit of the Out of Hours Standby Service to 2017/18 and re-allocate the 15 audit days to cover fraud investigation work.**

3.0 UPDATE ON DELIVERY OF THE INTERNAL AUDIT PLAN

- 3.1 The progress achieved to date in delivering the 2016/17 Audit Plan is set out in Appendix A. At the time of reporting, nine assignments have been finalised, draft reports have been issued for two audits and work is underway or complete on a further three assignments.
- 3.2 The key findings of the audit assignments from 2016/17 completed to date are provided within Appendix A. Also provided within the report is an overview of unplanned work undertaken during 2016/17 to date.
- 3.3 Within the Audit Plan for 2016/17, an audit of the Out of Hours Standby Service had been scheduled for delivery in quarter 4. It has recently been requested by senior management that this audit be deferred until early 2017/18 when it would be of greater value to the service. During 2016, additional work has been delivered by the Internal Audit service on unplanned fraud investigation work. If the 15 day audit of the Out of Hours Standby Service were deferred, these days would cover the time spent on the investigations work and negate the need to pay for additional audit days in 2016/17. As such, an amendment to the Audit Plan is recommended for the Committee's approval.

4.0 IMPLEMENTATION OF RECOMMENDATIONS

- 4.1 The Chief Executive requires the Council's Management Team to review progress made on implementing agreed management actions on a regular basis. Since the last Committee meeting, 13 actions from audit reports have been completed by officers, this represents 46% of the actions due for completion during the period. At the date of reporting, there are 15 agreed management actions which are overdue for implementation. Reasons have been requested for the overdue actions and revised dates for completion have been set, where possible. Further details are provided in Appendix A.

5.0 POLICY AND CORPORATE IMPLICATIONS

- 5.1 The report allows the Committee to develop independent assurance about the quality of the Council's internal control framework.

6.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

6.1 There are no financial or other resource implications arising directly from this report. Should the amendment to the Audit Plan not be approved, the alternative would be to pay for additional days to cover the investigation work, at a cost of approximately £4,500.

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 the Consortium does not deliver the approved Audit Plan the assurance that it can provide about the Council's control framework would be compromised.

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 Rachel Ashley-Caunt
Date: 07/02/2017

Appendices : A – Internal Audit Update Report

Background Papers: N/A

Reference : N/A