

GOVERNANCE COMMITTEE

18th SEPTEMBER 2018

REPORT OF HEAD OF INTERNAL AUDIT

INTERNAL AUDIT UPDATE

1.0 PURPOSE OF REPORT

- 1.1 To update Members on progress made in delivering the 2018/19 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 – to defer the planned audit of the Gretton Court project to 2019/20 and include an audit of compliance with procurement rules in the 2018/19 plan.**

3.0 UPDATE ON DELIVERY OF THE INTERNAL AUDIT PLAN

- 3.1 The progress achieved to date in delivering the 2018/19 Audit Plan is set out in Appendix A. Since the last Governance committee meeting, three reports have been finalised. At the time of reporting, 100% of planned assignments are either complete or in progress and the team is on track to exceed the target for delivery of 90% of the plan to draft report stage by the end of March 2019.
- 3.2 The key findings of the audit assignments from 2018/19 completed to date are provided within Appendix A.

4.0 IMPLEMENTATION OF RECOMMENDATIONS

- 4.1 The Council's Management Team review progress made on implementing agreed management actions on a regular basis. At the date of reporting, there are 24 agreed management actions which are overdue for implementation. Reasons have been requested for the overdue actions. There are a number of overdue actions which have been delayed due to a change in officers' responsibilities and these have now been reallocated to the relevant lead officer and are subject to revised timescales. Further details are provided in Appendix A.

5.0 AUDIT PLAN AMENDMENT

- 5.1 An amendment to the Audit Plan has been proposed for approval by the Governance Committee. The approved Audit Plan includes 15 days for an audit of the Gretton Court project but, given the revised timing for the project, it is proposed that this work be deferred to the 2019/20 Audit Plan. The days allocated to this review could be reallocated to a review of compliance with the Council's procurement rules and to fund additional work undertaken by Internal Audit including consultancy advice on taxi licensing fees and additional work on the Beckmill Court project audit. This has been agreed with the Council's s151 officer, senior management and the Chair of the Governance Committee and is brought to the Committee for formal approval.

6.0 POLICY AND CORPORATE IMPLICATIONS

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

7.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

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

8.0 **LEGAL IMPLICATIONS/POWERS**

8.1 There are no legal implications arising directly from this report

9.0 **COMMUNITY SAFETY**

9.1 There are no community safety implications arising directly from this report.

10.0 **EQUALITIES**

10.1 There are no equalities implications arising directly from this report.

11.0 **RISKS**

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

12.0 **CLIMATE CHANGE**

12.1 There are no climate change implications arising directly from this report.

13.0 **CONSULTATION**

13.1 N/A

14.0 **WARDS AFFECTED**

14.1 All wards are indirectly affected by the report.

Contact Officer Rachel Ashley-Caunt

Date: 03/09/2018

Appendices : A – Internal Audit Update Report

Background Papers: N/A

Reference : N/A