



**Melton
Borough
Council**

Audit and Standards Committee

19 November 2019

Report of: Head of Internal Audit

INTERNAL AUDIT UPDATE

1.0 Summary:

1.1 The report updates Members on progress made in delivering the 2019/20 Internal 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 the Committee approve the replacement of the planned Housing Repairs contract audit with a consultancy review.**

3.0 Report Detail

3.1 The progress achieved to date in delivering the 2019/20 Audit Plan is set out in Appendix A. At the time of reporting, 63% of planned assignments are either complete or in progress and three further assignments have been finalised.

3.2 The key findings of the audit assignments completed to date are provided within Appendix A. As one of the audit reports finalised during the period resulted in an opinion of less than Satisfactory Assurance, a full copy of the audit report is provided in Appendix B.

3.3 The Council's Leadership Team review progress made on implementing agreed management actions on a regular basis. At the date of reporting, there are 20 agreed management actions which are overdue for implementation. Further details are provided in Appendix A.

3.4 Following discussions with senior management, an amendment to the Audit Plan is proposed. It is recommended that the full audit of the Housing Repairs contract be postponed until 2020/21. In light of the Housing Improvement Plan and the implications for resources within the Housing teams, it has been agreed that a targeted review of contractor compliance, in the form of a consultancy review, would be of greater value at this time. The alternative assignment would focus upon contractor compliance with key terms and contract specifications and can be used by the Housing team to inform revised contract management arrangements to be implemented as part of restructuring and service review. It should be noted that

no assurance opinion would be given based on consultancy work performed. Any days saved against the original budget would be allocated to contingency and can be re-allocated to areas of priority.

4.0 Consultation and Feedback (including Scrutiny Committee)

4.1 Not applicable.

5.0 Next Steps

5.1 The regular update reports from Internal Audit should allow the Committee to develop independent assurance about the quality of the Council's internal control framework.

6.0 Financial Implications

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

7.0 Legal and Governance Implications:

7.1 There are no direct legal implications arising directly from this report.

7.2 A report was considered by Council on 4 November 2019 in respect of a Housing Improvement Plan and this sets out the Council's response to the issues highlighted 3.2 above and appendix B.

8.0 Equality and Safeguarding Implications:

8.1 There are no equalities or safeguarding implications arising directly from this report.

9.0 Community Safety Implications:

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

10.0 Other Implications

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

11.0 Risk & Mitigation:

11.1 The annual Internal Audit report forms part of the evidence that supports the Council's Annual Governance Statement and provides assurance over the adequacy and effectiveness of the Council's internal controls to manage the key risks and inform risk management arrangements.

Background Papers:

Not applicable.

Appendices

Appendix A: Internal Audit Update - September 2019

Appendix B: Internal Audit report – Landlord Health & Safety

Appendix C: Management responses to Landlord Health & Safety report

Report Timeline:

Equalities Check & Challenge	-
SLT Sign off	-
Previously Considered by Cabinet	-
Director Approval	11.11.19
Chief Finance Officer Sign Off	11.11.19
Deputy Monitoring Officer Sign Off	11.11.19

Exempt Reports**Date of Review to make public (Exempt Reports only)****Report Author & Job Title**

Rachel Ashley-Caunt, LGSS Head of Internal Audit & Counter Fraud

📞: 07824 537900