

**REPORT TO THE GOVERNANCE & AUDIT COMMITTEE
MEETING ON: 8th March 2017**

Status: For information & decision
Title: Internal Audit – progress and performance update
Originator: Trevor Croote – Audit Manager
Where from: CMT / Welland Internal Audit Consortium
Where to next: N/A

1 Outcome Sought from Committee

- 1.1 Members note the reported performance of internal audit, key findings of audits completed and status of outstanding recommendations.
- 1.2 Members approve amendment of the 2016/17 audit plan to postpone the Leisure Options review and audit of Business Continuity and IT Disaster Recovery arrangements to 2017/18.

2 Background

- 2.1 Internal audit assignments are completed in accordance with the annual internal audit plan agreed by this committee. This report summarises progress against the 2016/17 plan up to 17th February 2017, the latest practical date for reporting to the committee.

3 Progress against the agreed 2016/17 Audit Plan

- 3.1 **Appendix A** summarises progress against the plan together with the latest available performance information. At the time of writing, approximately 75% of the agreed plan has been delivered to at least draft report stage and work is underway on all remaining assignments.
- 3.2 Monitoring the implementation of audit recommendations and holding officers to account for any delays is an important function of this committee. There are currently 22 overdue recommendations, of which 17 (77%) are overdue by more than three months. Of these, 10 are classified as high or medium risk and further details are provided in **Appendix B**.
- 3.3 Four internal audit reports have been finalised since the last committee (including one consultancy report). In addition, the Internal Auditors for Hinckley and Bosworth Borough Council, PwC, have published their 2016/17 report in respect of the Leicestershire Revenues and Benefits Partnership. Copies of the audit reports are provided at **Appendix C**.

Table 1. Audits finalised since the last meeting.		
Assignment	Audit assurance level	Appendix ref.
Insurance	Sufficient	C(i)
Fees and Charges	Sufficient	C(ii)
Community Grants	Substantial	C(iii)
PwC – Revenues & Benefits Partnership	High Risk	C(iv)
Financial Management	Consultancy	N/A

3.4 The Committee's role includes approving any amendments to the Internal Audit Plan during the financial year. At this meeting, Committee approval is sought to amend the Audit Plan to postpone two audits until next year. Firstly, management has requested postponement of the Leisure Options project to coincide with the project timetable. Secondly, postponement of the Business Continuity and IT Disaster recovery audit to fit in with the Council's plans to develop and test its current arrangements. These days will be set aside for

4 Equality Impact Assessment

4.1 Not applicable in this context.

5 Conclusions

5.1 This report provides an update on the progress and outcomes of work undertaken as part of the 2016/17 audit plan. As previously reported, delivery of the plan was adversely affected by the long term absence of the Finance Services Manager during the first half of the financial year, although good progress has been made in the final quarter.

Previous report(s): Internal Audit Plan 2016/17 (10/03/2016)
Progress and Performance Update (27/07/2016)
Progress and Performance Update (22/09/2016)
Progress and Performance Update (16/11/2016)

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N

Appendices:

- A. Internal Audit Update – March 2017**
- B. Outstanding Audit Recommendations**
- C. (i) Internal Audit Report – Insurance**
 - (ii) Internal Audit Report – Fees and Charges**
 - (iii) Internal Audit Report – Community Grants**
 - (iv) PwC Report – Revenues & Benefits Partnership**