
REPORT TO THE GOVERNANCE & AUDIT COMMITTEE
MEETING ON: 27th July 2016

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.

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 2015/16 and 2016/17 plan up to 5th July 2016, the latest practical date for reporting to the committee.

3 Progress against the agreed 2015/16 Audit Plan

3.1 The 2015/16 audit plan is now complete.

3.2 A summary of all 2015/16 audit work is set out in the Head of Internal Audit's Annual Report. Reports finalised since the last committee meeting are set out in Table 1 below.

4 Progress against the agreed 2016/17 Audit Plan

4.1 **Appendix A** summarises progress against the plan together with the latest available performance information. At the time of writing, 17% of the plan has been delivered to draft report stage and fieldwork is underway on one further assignment. The draft assignment plan has been issued for a further two audits but management have requested the postponing of these reviews in the absence of the Financial Services Manager.

4.2 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 22 (100%) are overdue

by more than three months. Seventeen of these (77%) are classified as high or medium risk and further details are provided in **Appendix B**.

- 4.3 Five internal audit reports have been finalised since the last committee. In addition, the Internal Auditors for Hinckley and Bosworth Borough Council, PwC, have published their 2015/16 report in respect of the Leicestershire Revenues and Benefits Partnership. Copies of the relevant reports are provided at **Appendix C**.

Table 1. Audits finalised since the last meeting.		
Assignment	Audit assurance level	Appendix ref.
Financial Systems Key Controls 2015/16	Sufficient	C(i)
Financial Resilience 2015/16	Sufficient	C(ii)
Assurance Framework 2015/16	Sufficient	C(iii)
Planning Service Review 2015/16	Sufficient	C(iv)
Risk Management 2016/17	Sufficient	C(v)
PwC report – Leicestershire Revenues & Benefits Partnership	Medium risk (Council Tax) Low Risk (NNDR) No Opinion Given (Benefits)	C(vi)

- 4.4 The Committee has previously agreed that any proposed changes to the Audit Plan could be approved by the Head of Finance and Commercial Services (s151 Officer), in consultation with the Chairman. No changes have been agreed since the last meeting.

5 Equality Impact Assessment

- 5.1 Not applicable in this context.

6 Conclusions

- 6.1 This report provides an update on the progress and outcomes of work undertaken as part of the 2015/16 and 2016/17 audit plan. Delivery of the plans is on track and three reports have been finalised since the last meeting, all of which achieved a 'sufficient' assurance rating.

Previous report(s): Internal Audit Plan 2016/17 (10/03/2016)

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N

Appendices:

- A. Internal Audit Update – July 2016**
- B. Outstanding audit recommendations**
- C(i). Internal Audit Report – Financial Systems Key Controls**
- C(ii). Internal Audit Report – Financial Resilience**
- C(iii). Internal Audit Report – Assurance Framework**
- C(iv). Internal Audit Report – Planning Service Review**
- C(v). Internal Audit Report – Risk Management**
- C(vi). PwC Report – Leicestershire Revenues & Benefits Partnership**