

<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>4 July 2016</b>
<b>Title of report:</b>	<b>Progress report on 2015/16 internal audit plan</b>
<b>Report by:</b>	<b>Head of corporate finance / internal audit</b>

## **Classification**

Open

## **Key decision**

This is not an executive decision.

## **Wards affected**

Countywide

## **Purpose**

To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed.

## **Recommendation**

That:

- a) **performance against the approved plan be reviewed and any areas for improvement identified; and**
- b) **the robustness of the management response to recommendations be reviewed and any recommendations for strengthening the response to further mitigate risk be identified.**

## **Alternative options**

- 1 There are no alternative recommendations; it is a requirement of the council's adopted audit and governance code that the committee considers these matters in fulfilling its assurance role.

## **Reasons for recommendations**

- 2 To enable the committee to monitor performance of the internal audit team against the approved plan.
- 3 To assure the committee that action is being taken on risk related issues identified by internal audit. This is monitored by acceptance by management of audit recommendations and progress updates in implementing the agreed action plans. In addition audit recommendations not accepted by management are reviewed and progress to an appropriate recommendation to cabinet if it is considered that the course of action proposed by management presents a risk in terms of the effectiveness of or compliance with the council's control environment.

## **Key considerations**

- 4 The internal audit progress report is attached at appendix A. In the period covered by the report, a total of one priority 5 and twelve priority 4 recommendations were made. All of these were accepted by management and a summary of the management response is provided in the appendix. Relevant service managers will be in attendance at the audit and governance meeting to respond to any specific queries that the committee may have.
- 5 The annual plan summary is provided at appendix D, and a glossary of terms provided at appendix C.

## **Community Impact**

- 6 The council's corporate values and plan include commitments to being open transparent and accountable about its performance. By ensuring robust management responses to identified risks, the council will be better able to meet its corporate plan priority to secure better services, quality of life and value for money.

## **Equality duty**

- 7 The report does not impact on this area.

## **Financial implications**

- 8 None arising from the recommendations; any additional recommendations made by the committee will be considered by the relevant manager or cabinet member and the financial implications of accepting those recommendations will be considered then.

## **Legal implications**

- 9 None.

## **Risk management**

- 10 There is a risk that the level of work required to give an opinion on the council's systems of internal control is not achieved. This is mitigated by the regular active management and monitoring of progress against the agreed internal audit plan.
- 11 Risks identified by internal audit are mitigated by actions proposed by management in response.

## **Consultees**

- 12 None.

## **Appendices**

Appendix A – SWAP plan progress report 2015-16

Appendix B – Summary of control assurance definitions, categorisation of recommendations and risk levels

Appendix C – Audit Plan Status 2015-16

## **Background papers**

- None identified.