

<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 23 January 2019</b>
<b>Title of report:</b>	<b>Progress report on 2018/19 internal audit plan</b>
<b>Report by:</b>	<b>Chief finance officer / internal audit</b>

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

(All Wards);

## **Purpose and summary**

To review the progress of internal audit work and any key internal control issues arising from work recently completed. To enable the committee to monitor performance of the internal audit team against the approved plan.

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.

## **Recommendation(s)**

**That:**

- (a) performance against the approved plan be reviewed and any areas for improvement identified; and**
- (b) consider the assurances provided and the recommendations which the report makes, making recommendations as necessary.**

## **Alternative options**

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Further information on the subject of this report is available from

Jacqui Gooding, email: [Jacqui.Gooding@swapaudit.co.uk](mailto:Jacqui.Gooding@swapaudit.co.uk)

1. There are no alternative recommendations; it is a function of the committee to consider a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements..

## **Key considerations**

2. The internal audit progress report is attached at appendix A. In the period covered by the report, six priority 2 recommendations were made. A summary of the significant findings is provided in the report.
3. For audits that only provided partial assurance follow up audits are carried out to provide assurance to the Audit and Governance committee, the table on page 9 of appendix A demonstrates progress against agreed action plans. All overdue recommendations are scheduled to be completed by April 2019, apart from one that is awaiting approval from Herefordshire Clinical Commissioning Group. (CCG).
4. The annual plan summary and a glossary of terms is also provided in the report.

## **Community impact**

5. The council's code of corporate governance commits the council to managing risks and performance through robust internal control and strong public financial management and to implementing good practices in transparency, reporting, and audit to deliver effective accountability. 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**

6. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:  
  
A public authority must, in the exercise of its functions, have due regard to the need to -
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
7. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

## **Resource implications**

8. None arising from the recommendations; any additional recommendations made by the

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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. There are no significant legal implications arising from this report.

## **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. Progress on implementation of agreed actions is reported to this committee every six months.

## **Consultees**

12. None.

## **Appendices**

Appendix A – SWAP Internal Audit plan progress report 2018-19 – quarter 2/3

## **Background papers**

None identified.