

BRIEFING REPORT

Audit & Governance Committee

Date of Meeting: 15 March 2018

Report Title: Internal Audit Plan 2017/18 Interim Update

Portfolio Holder: Councillor Rachel Bailey

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1. Introduction and Policy Context

- 1.1. The purpose of this report is to update the Audit and Governance Committee on progress against the Internal Audit Plan 2017/18, revisions to the plan and to summarise work undertaken between October and December 2017 (see Appendix A).
- 1.2. The delivery of the Annual Internal Audit Plan supports the annual opinion on the organisation's arrangements for governance, risk and internal control. The assurances these provide to the Annual Governance Statement are key indicators and contributors to the Council's corporate objective of being a responsible, effective and efficient organisation.

2. Background

- 2.1. Progress reports on the delivery of the annual audit plan are regularly brought to the Audit and Governance Committee to provide information, updates and assurance on the ability to deliver the annual audit opinion. A report on activity from April to September 2017 has previously been considered by the Committee at its meeting in December 2017.
- 2.2. This report, supported by more detail in Appendix A, provides an update on the delivery of the current Audit Plan and focuses on activity between October and December 2017. The Committee will receive an update on the final quarter as part of the Annual Internal Audit Report due in May 2018.

3. Briefing Information

- 3.1. During this quarter, in addition to planned activity, a considerable amount of time has been spent undertaking specific and focused reviews of historic

land transactions and supporting (unrelated) investigations into financial irregularities in other parts of the organisation.

- 3.2. Additional resource has been used to support the work on land transactions, and a number of part time officers are currently working increased hours. This temporary increase in resource, along with a re-assessment of the 17/18 plan and subsequent prioritisation of engagements for delivery in the remainder of 17/18 will ensure that sufficient work will have been undertaken to deliver the Annual Audit Opinion for 2017/18.

4. Implications

4.1. Financial Implications

- 4.1.1. In accordance with the Public Sector Internal Audit Standards, the Audit and Governance Committee should ensure that the function has the necessary resources and access to information to enable it to fulfil its mandate, and is equipped to perform in accordance with appropriate professional standards for internal auditors

4.2. Legal Implications

- 4.2.1. The requirement for an internal audit function flows from s151 of the Local Government Act 1972 requiring Councils to “make arrangements for the proper administration of their financial affairs” and the Accounts and Audit Regulations 2015 requiring a relevant body to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance ...”

4.3. Human Resources Implications

- 4.3.1. The Internal Audit team must be appropriately resourced to comply with statutory and best practice requirements. Additional resource has been used during Quarter 3 to support delivery of the core plan and provide capacity to undertake priority workloads.