



INTERNAL AUDIT PROGRESS REPORT
REPORT OF THE HEAD OF INTERNAL AUDIT

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To provide the Committee with an update on progress against the 2015/2016 Internal Audit Plan (the Plan).

2. RECOMMENDATION

- 2.1 That members note progress made against the Plan
- 2.2 That members note overdue Internal Audit recommendations and consider what further assurance is required in these areas

3. BACKGROUND TO THE REPORT

- 3.1 The Council's previous internal audit contract came to an end on 31st March 2015. Following a through procurement process, PricewaterhouseCoopers LLP (PwC) were awarded the internal audit contract from 1st April 2015.
- 3.2 In accordance with the contract specification, PwC have produced an Internal Audit Plan for 2015/16 which was approved by this Committee in August 2015. Appendix 1 contains an update of progress against this Plan.
- 3.3 Members will be aware that PwC are currently the external auditors for this Council though this contract is due to end in 2015/2016 once the 2014/2015 accounts have been signed (by end of September 2015). In order to comply with guidelines and advice on appointment provided by the Audit Commission, whilst PwC are able to carry out internal audit activities from 1st April 2015, they are not permitted to take up the formal management role of "Head of Internal Audit" until the point that the 2014/2015 Statement of Accounts opinion is signed. Until this time therefore, the role of Head of Internal Audit will be undertaken by the Chief Officer (Finance, Customer Services and Compliance). During this period, PwC will continue to carry out all internal audit functions. As such, Appendix 1 has been prepared by PwC but is required to be presented as a report of the Head of Internal Audit.

4. FINANCIAL IMPLICATIONS [KP]

- 4.1 The cost of the 2015/2016 audit plan is budgeted to be £57,500. This is a saving from 2014/2015 of £5,210.

5. LEGAL IMPLICATIONS [MR]

- 5.1 The Audit and Accounts Regulations 2015 which came into effect on 1st April 2015 require the Council to ensure it has a sound system of internal control which
- a) Facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - b) Ensures that the financial and operational management of the Council is effective;and,
 - c) Includes effective arrangements for the management of risk

5.2 The Finance, Audit and Performance Committee functions as a committee of the Council in those Audit and Governance matters which are matters reserved to Council or delegated by statute to a council's audit committee

6. CORPORATE PLAN IMPLICATIONS

6.1 The internal audit plan is linked to the Corporate Plan and therefore meets all Corporate Plan objectives.

7. CONSULTATION

7.1 The Corporate Operations Board and Strategic Leadership Board have been consulted in the drafting of this plan.

8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 Not applicable

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Risk Registers

Contact Officer: Katherine Plummer, Chief Officer (Finance, Customer Services and Compliance) ext 5609

Executive Member: Cllr M Surtees

