

AUDIT AND RISK COMMITTEE

25 April 2017

INTERNAL AUDIT UPDATE

Report of the Head of Internal Audit

Strategic Aim:	All		
Exempt Information		Yes, Appendix G of this report contains exempt information and is not for publication in accordance with Part 1 of Schedule 12A of the Local Government Act 1972.	
Cabinet Member(s) Responsible:		Councillor Oliver Hemsley, Deputy Leader and Portfolio Holder for Growth, Trading Services and Resources (except Finance)	
Contact Officer(s):	Rachel Ashley-Caunt, Head of Internal Audit	Tel: 07824 537900 rashley-caunt@rutland.gcsx.gov.uk	
Ward Councillors	N/A		

DECISION RECOMMENDATIONS

1. That Members note the Internal Audit update report (Appendix A).

1 PURPOSE OF THE REPORT

- 1.1 To update Members on the progress made in delivering the 2016/17 Annual Audit Plan and key findings arising from audit assignments completed since the last Committee meeting.

2 BACKGROUND AND MAIN CONSIDERATIONS

Update on Delivery of Internal Audit Plan

- 2.1 The progress made to date in delivering the 2016/17 audit plan is set out in Appendix A. At the time of reporting, all audit assignments have been completed, seven of the reports are in draft awaiting management comment and will be summarised at the next Audit and Risk Committee meeting.
- 2.2 The review of IT Policies and Procedures has been cancelled for 2016/17 to enable additional work on the Highways Maintenance Contract to be delivered, as agreed with the Chair of the Audit and Risk Committee and senior management. Assurances will be sought from the IT team on the external Public Sector Network

compliance review to provide independent assurance in this area and to inform the annual assurance opinion.

2.3 Implementation of Recommendations

2.4 Internal Audit request that officers provide updates on all open audit actions on a monthly basis.

2.5 Since the last Committee meeting, nine recommendations have been implemented.

2.6 At the date of reporting, there are thirty open audit actions, nine of which are overdue for implementation. Two actions were due for implementation over three months ago.

2.7 The two actions relate to:

1) Agresso – management have indicated that most actions have been addressed and Internal Audit are awaiting an evidence file to confirm this. A review of cash handling arrangements is ongoing.

2) IT Disaster Recovery – the IT Disaster Recovery site has now been relocated to OEP. The plan is due to be signed off and tested by the end of June 2017.

3 CONSULTATION

3.1 No formal consultation is required.

4 ALTERNATIVE OPTIONS

4.1 The Committee is asked to note the report but could request further updates on any reports presented.

5 FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising from this report.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal Audit including approving the annual report and satisfying itself that the conclusions reached are reasonable in light of the work undertaken. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.

6.2 There are no legal implications arising from this report.

7 EQUALITY IMPACT ASSESSMENT

7.1 There are no equality implications.

8 COMMUNITY SAFETY IMPLICATIONS

8.1 There are no community safety implications.

9 HEALTH AND WELLBEING IMPLICATIONS

- 9.1 There are no health and wellbeing implications.

10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 10.1 The latest update report, provided in Appendix A, details the findings of recent Internal Audit work and any weaknesses in the control environment highlighted by these reviews, and provides an overview of the performance of the Internal Audit team and the implementation of actions by management. The Committee plays an important role in the oversight of Internal Audit work.

11 BACKGROUND PAPERS

- 11.1 There are no additional background papers to the report

12 APPENDICES

- 12.1 Appendix A: Internal Audit Update Report
- 12.2 Appendix B: Internal Audit reports finalised since last Committee Meeting – Executive Summaries
- 12.3 Appendix C: Implementation of Audit Recommendations
- 12.4 Appendix D: ‘High’ and ‘Medium’ Priority actions overdue for more than three months
- 12.5 Appendix E: Customer Satisfaction Statistics
- 12.6 Appendix F: Limitations and responsibilities
- 12.7 Appendix G: Exempt

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