

AUDIT AND RISK COMMITTEE

30th January 2018

INTERNAL AUDIT UPDATE

Report of the Head of Internal Audit

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Oliver Hemsley – Acting 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).
2. That Members approve an amendment to the 2017/18 Audit Plan to defer work on the Barleythorpe/Kings Business Centre to 2018/19 and reallocate these days to support additional work already completed on the Highways Maintenance contract.

1 PURPOSE OF THE REPORT

- 1.1 To update Members on the progress made in delivering the 2017/18 Annual Audit Plan and outcomes 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 2017/18 audit plan is set out in Appendix A. At the time of reporting, thirteen audit assignments have been completed, one report is in draft awaiting management comment and work is underway on five further assignments. All reports will be issued in draft by the end of March 2018.

Implementation of Recommendations

- 2.2 Internal Audit request that officers provide updates on all open audit actions on a monthly basis.
- 2.3 Since the last Committee meeting, ten recommendations have been implemented.
- 2.4 At the date of reporting, there are 23 actions which are overdue for implementation. Of these, 19 actions were due for implementation over three months ago, three of which were categorised as 'High' priority and six as 'Medium' Priority. A number of these are to be addressed as part of the GDPR project and progress has been made on implementation.

Amendment to Audit Plan

- 2.5 In order to support additional work by Internal Audit on the Highways Maintenance contract during the financial year to date, it is proposed that the audit of the Barleythorpe/Kings Business Centre be deferred to 2018/19 and that the five days be reallocated to support this work, which has been a priority for the Council.

3 CONSULTATION

- 3.1 No formal consultation is required.

4 ALTERNATIVE OPTIONS

- 4.1 The Committee is asked to note the report but may wish to receive an earlier update on any limited assurance reports.

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: Implementation of Audit Recommendations

12.3 Appendix C: 'High' and 'Medium' Priority actions overdue for more than three months

12.4 Appendix D: Customer Satisfaction Statistics

12.5 Appendix E: Limitations and responsibilities

12.6 Appendix F: Copies of consultancy reports issued

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.