

## AUDIT AND RISK COMMITTEE

1<sup>st</sup> October 2019

### INTERNAL AUDIT UPDATE

Report of the Head of Internal Audit

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance.	
Contact Officer(s):	Rachel Ashley-Caunt, Head of Internal Audit	Tel: 07824 537900 <a href="mailto:rashley-caunt@rutland.gov.uk">rashley-caunt@rutland.gov.uk</a>
Ward Councillors	N/A	

#### DECISION RECOMMENDATIONS

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 2019/20 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 2019/20 audit plan is set out in Appendix A. At the time of reporting, 38% of the audit plan is either in progress or complete.

##### 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, 23 recommendations have been confirmed as implemented.

- 2.6 There are currently six actions rated as 'High' or 'Medium' priority which are more than three months overdue for implementation but have not yet been fully implemented. Internal Audit has been provided with assurance that progress is being made in these areas and to manage the risks associated.

### **Internal Audit report – example**

- 2.7 It is standard practice for any audit reports receiving lower than Satisfactory Assurance opinions to be presented to the Audit and Risk Committee in full. To date, no such reports have been issued from the 2019/20 Audit Plan.
- 2.8 It was agreed with the Chair of the Audit and Risk Committee that an example of an audit report receiving a higher level of assurance would be presented to the committee as an example of the work of Internal Audit and the basis for the opinions given. As such, a copy of the Internal Audit report on Procurement Cards has been provided as Appendix F to this report.

## **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 DATA PROTECTION IMPLICATIONS**

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

## **8 EQUALITY IMPACT ASSESSMENT**

- 8.1 There are no equality implications.

## **9 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no community safety implications.

## **10 HEALTH AND WELLBEING IMPLICATIONS**

10.1 There are no health and wellbeing implications.

## **11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

11.1 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.

## **12 BACKGROUND PAPERS**

12.1 There are no additional background papers to the report.

## **13 APPENDICES**

13.1 Appendix A: Internal Audit Update Report

13.2 Appendix B: Implementation of Audit Recommendations

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

13.4 Appendix D: Customer satisfaction statistics

13.5 Appendix E: Limitations and responsibilities

13.6 Appendix F: Internal Audit report – Procurement cards

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