

## Head of Internal Audit Update

### **Audit Committee**

**Date: 27<sup>th</sup> June 2017**

Author: Head of Internal Audit

Wards: None

Parishes Affected: None

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### **1. Purpose and Reasons**

- 1.1 To present Members with a summary of the main issues arising from the Internal Audit reports finalised since the Audit Committee meeting in April 2017, to update Members with regard to progress against the annual internal audit plan and other key issues.
- 1.2 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.
- 1.3 The Council's Internal Audit section is a key component of the assurance framework and therefore it is essential that this Committee monitor its performance against the annual plan along with the implementation of agreed recommendations by Client departments.

### **2. Recommendations**

The Committee is recommended to:

- 2.1 It is recommended that the contents of the report be noted.

### **3. Detail**

Progress on completion of Internal Audit Plan 2017/18

- 3.1 Details of audits finalised since the April Audit Committee meeting are set out in Appendix 1. The appendix sets out the key audit recommendations made along with the overall risk assessment to the Council.
- 3.2 Appendix 2 sets out progress against the 2017/18 plan as at the year-end. As at the end of May 2017, 13% of the number of audits in the audit plan has been completed against a target of 16%.

Staffing update

- 3.3 The section has been without a Senior Auditor since January 2017. The section advertised for a Senior Auditor role to fill the current vacancy. Unfortunately this was unsuccessful, we are currently going through a second recruitment process.

Corporate Fraud Team

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- 3.4 Continued HRA funding for the Corporate Fraud Team has been agreed with the Head of Housing Services for 2017/18.
- 3.5 An annual report of the Corporate Fraud Team is included in the agenda for this meeting. So far in 2017/18 the Corporate Fraud Team has received a total of 56 referrals. To the end of May the team has:
- Recovered 3 housing properties (estimated savings £54,000)

### **4. Alternative Options**

- 4.1 Not Applicable

### **5. Implications, Diversity Impact Assessment and Risk Management**

#### Financial and Procurement Implications

- 5.1 There are no direct financial implications arising from this report.

#### Legal and Human Rights Implications

- 5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

#### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 None

#### Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 Internal Audit's remit is to examine the adequacy of the Council's governance, risk management and internal controls. Effective systems of governance, risk management and internal control within the Council will help to ensure that the objectives set out in One Swindon and the Council's Corporate Strategy is achieved.

#### Diversity Impact Assessment

- 5.5 None

#### Risk Management

- 5.6 Potential risks to the Council are identified in the individual audit reports summarised in Appendices 1 and 2.

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### **6. Consultees**

- 6.1 The Corporate Director: Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- 6.2 All Heads of Service, Board Directors and Members who have contributed to individual audits to date during the course of 2017/18.

### **7. Background Papers**

- 7.1 None

### **8. Appendices**

Appendix 1 – Internal Audit Reports finalised since the February 2017 Audit Committee.

Appendix 2 – Progress against the Internal Audit plan 2017/18