

Southend-on-Sea Borough Council

Report of Corporate Director for Corporate Services

to

Audit Committee

on

29th June 2016

Report prepared by: Linda Everard, Head of Internal Audit

Agenda
Item No.

6

Internal Audit Services, Quarterly Performance Report

Executive Councillor – Councillor Mooring

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present to the Audit Committee, summary results of 2015/16 audit reviews completed.

2. Recommendations

- 2.1 The Audit Committee notes the assurance provided by the audit work completed this quarter.**

3. Background

- 3.1 To comply with the UK Public Sector Internal Audit Standards, the Head of Internal Audit's Annual Report includes details of the team's final performance in 2015/16 in delivering:
- the Audit Plan
 - its targets.

4. Audit Opinions and Themes

- 4.1 **Appendix 1** summarises the results of and where appropriate, the audit opinions given for each audit completed since the March Audit Committee meeting.
- 4.2 The work undertaken on debt collection to support the corporate project to review these arrangements has been completed and a draft report has been provided to management for their review. Opportunities to strengthen the process are being taken into account in redesigning the service.

5. Corporate Implications

- 5.1 Contribution to Council's Aims and Priorities
Audit work contributes to the delivery of all corporate Aims and Priorities.
- 5.2 Financial Implications
The Audit Plan was delivered within the approved budget.

Any financial implications arising from identifying and managing fraud risk were considered through the normal financial management processes.

5.3 Legal Implications

The UK Public Sector Internal Audit Standards require the Audit Committee to approve (but not direct) the annual Internal Audit Plan and then receive regular updates on its delivery. This report contributes to discharging this duty.

5.4 People and Property Implications

People and property issues that were relevant to an audit within the Audit Plan were considered as part of the review.

5.5 Consultation

The audit risk assessment and the Audit Plan were periodically discussed with the Chief Executive, Corporate Directors / Director, and Heads of Service before being reported to Corporate Management Team and the Audit Committee.

All terms of reference and draft reports were discussed with the relevant Corporate Directors / Director and Heads of Service before being finalised.

5.6 Equalities Impact Assessment

The relevance of equality and diversity was considered during the initial planning stage of the each audit before the Terms of Reference were agreed.

5.7 Risk Assessment

Failure to operate a robust assurance process (which incorporates the internal audit function) increases the risk that there are inadequacies in the internal control framework that may impact of the Council's ability to deliver its corporate aims and priorities.

The main risks the team has had to manage are the:

- loss of in-house staff and the ability of the service to replace this resource at all or in a timely manner
- possibility that the external supplier won't deliver contracted in work within the required deadlines to the expected quality standards
- the outcome of the review of the service.

With the loss of the Senior Audit & Resources Manager, limited time has been available within the Audit Plan for managing this contract in the latter half of the year.

5.8 Value for Money

Opportunities to improve value for money in the delivery of services were identified during some reviews and recommendations made as appropriate.

Internal Audit also consider whether it provides a value for money service periodically.

5.9 Community Safety Implications and Environmental Impact

These issues were only considered if relevant to a specific audit review.

6. Background Papers

- The Accounts and Audit Regulations 2015
- UK Public Sector Internal Audit Standards
- CIPFA: Local Government Application Note for the UK Public Sector Internal Audit Standards

7. Appendices

Appendix 1 Audit Opinions and Themes

- a Business Rates
- b Special Education Needs
- c Accounts Receivable, Social Care Debt
- d Payroll System
- e Other Audits and Grant Claims
- f Audits Revisited