

Southend-on-Sea Borough Council

Agenda
Item No.

4

Report of the Chief Executive

to

Audit Committee

on

25th July 2018

Report prepared by: Elaine Allen, Interim Head of Internal
Audit

Internal Audit Services, Quarterly Performance Report

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To update the Audit Committee for the final time, on the progress made in delivering the Internal Audit Strategy for 2017/18.

2. Recommendations

- 2.1 The Audit Committee notes the progress made in delivering the 2017/18 Internal Audit Strategy.

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 during 2017/18, 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 April 2018 Audit Committee meeting.

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 will be delivered within the approved budget.

Any financial implications arising from identifying and managing fraud risk will be 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 are relevant to an audit within the Audit Plan will be considered as part of the review.

5.5 Consultation

The audit risk assessment and the Audit Plan are periodically discussed with the Chief Executive, Deputy Chief Executives and Directors before being reported to Corporate Management Team and the Audit Committee.

All terms of reference and draft reports are discussed with the relevant Deputy Chief Executives and Directors before being finalised.

5.6 Equalities Impact Assessment

The relevance of equality and diversity is considered during the initial planning stage of the each audit before the Terms of Reference are 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 continues to manage are the:

- potential loss of in-house staff and the ability of the service to replace this resource in a timely manner
- lack of management capacity to support and process work in a timely manner and provide strategic leadership to the team
- possibility that the external supplier won't deliver contracted in work within the required deadlines to the expected quality standards
- need to maintain relationships with clients / partners until the service has been rebuilt.

5.8 Value for Money

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

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

5.9 Community Safety Implications and Environmental Impact

These issues are 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 Assurances and Summaries

- a • Audits Revisited
- b • Other Audits and Grant Claims