

Audit Committee

20th July 2017



Report of: Interim Chief Internal Auditor

Title: Internal Audit Activity Report for Q1-2017/18

Ward: N/A

Officer Presenting Report: Melanie Henchy-McCarthy/Alison Mullis - Head of Internal Audit

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Recommendation

The Audit Committee note the Internal Audit Activity in quarter 1 of 2017/18.

Summary

This Update Report provides the Committee with a summary view and status of the work undertaken by Internal Audit in quarter one of 2017/18, together with the resulting conclusions, where appropriate. Additionally, the report provides the Committee with oversight of grant certification work completed on behalf of the Council and an update on the Team's fraud work.

Significant Matters Arising:

- Key messages arising from this report at Section 2 of Appendix A;
- The impact of Ad-Hoc work requests on the Audit plan, Section 3 paragraph 3.1 of Appendix A;
- Potential savings for the Council as a result of the work of the Investigations Team, as detailed in Section 3, paragraph 3.6
- Value of Grants Certified by the Service in the first quarter, Section 3, paragraph 3.3.



1. Policy

Audit Committee Terms of Reference

2. Consultation

Internal – SLT including S151 Officer, Cabinet Member for Governance, Resources and Finance.

External – N/A

3. Context

3.1 This is the first of the IA Activity reports to the Audit Committee, which are designed to provide the Committee with a summary view of the work completed by the Service throughout the year. The activity reports will be provided to the Committee on a quarterly basis, with the exception of the November 2017 Committee meeting, when a fuller half-year report will be provided. The Activity report is provided to:

- Provide an overview of the work of Internal Audit to date, and the level of assurance that can be derived from that work;
- Provide a summary of the outcomes from our fraud and Value for Money (VfM) work to the end of the quarter.
- Present the assurance work completed and in progress by the Internal Audit team during the quarter, together with the conclusions we have drawn from that work.
- Spotlight any significant issues to management or the Audit Committee for their consideration and necessary action.

This first Activity Report in 2017/18 can be found at Appendix (A), with the key points to note provided below:

3.2 Key points arising from the Activity Report:

- Internal Audit Plan impacted by a significant increase in ad-hoc work requests, however temporary resource approved and being sourced to address this.
- Pro-active fraud work has already identified a good level of recoverable savings and recovered a number of council tenancies.
- 8 grants with a total value of £2.3m certified.
- Risk Management improvements are in progress.
- Recommendation implementation to be strengthened, following senior management undertaking.

4. Proposal

- 4.1 The Audit Committee note considers the work of the Internal Audit Team (IA), during Quarter 1 of 2017/18, and the results thereof, raising challenge where appropriate.

5. Other Options Considered – N/A

6. Risk Assessment

The work of Internal Audit minimises the risk of failures in the Council's internal control, risk management and governance arrangements, reduces fraud and other losses and increases the potential for prevention and detection of such issues. Areas of significant risk are detailed in the report.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.
- 8b) No Equality Impact anticipated from this report.

Legal and Resource Implications

Legal – N/A

Financial – N/A

Land – N/A

Personnel – N/A

Appendices:

Appendix A – Internal Audit Activity Report for Q1-2017/18

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.