

# Audit Committee

25<sup>th</sup> November 2016



**Report of:** Chief Internal Auditor

**Title:** Internal Audit Half-Year Report 2016/17

**Ward:** Citywide

**Officer Presenting Report:** Alison Mullis/Melanie Henchy-McCarthy: Chief Internal Auditor

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## Recommendation:

The Committee is recommended to note and comment on the attached Internal Audit half-year report which provides details of Internal Audit work for period 1<sup>st</sup> April to 30<sup>th</sup> September 2016. This report was presented to the Cabinet member for Finance, Governance and Performance.

## Summary

The report provides senior management and the Audit Committee with an illustration of how the Council is doing in terms of level of assurance and risk for 2016/17, together with previous year's performance for reference, as well as a summary of the work carried out by Internal Audit in the first six months of this financial year, attached at Appendix A.

### The significant issues in the report are:

- The purpose of this report is provided in section (1)
- The status of the Control, Risk and Governance environment within the Council, based on the internal audit work completed to date, is provided in section (2)
- Full details of the work and conclusions of Internal Audit during the period is provided at Appendix A and summarised in section (3)



## Policy

### 1. Audit Committee Terms of Reference

## Consultation

### 2. Internal

**S151 Officer, Business Change DLT, Strategic Leadership Team, Cabinet Member for Finance Governance and Performance.**

### 3. External

**Not Applicable**

### 4. Context

Internal Audit provide update reports to management and the Audit Committee which summarise the work carried out by Internal Audit as the year progresses. Attached at Appendix A is the first of those reports for 2016/17. The report is provided to:

- Provide an overview of the status of the organisation's Risk, Control and Governance framework, based on the work of Internal Audit to date, and the level of assurance that can be derived from that work
- present the work completed by the Internal Audit team during the year to date, together with the conclusions we have drawn from that work.
- highlight any significant issues to management or the Audit Committee for their consideration and necessary action.
- provide management and the Audit Committee with details of Internal Audit coverage and performance, to assure them that the Audit service continues to be effective and resourced to be fit for purpose.

### 5. Proposal

The Audit Committee receive and note this report as a source of assurance regarding the risk, control and governance environment across the Council. The Committee may wish to consider the issues identified in section 3 of the report as potential areas relevant to their annual work programme.

### 6. Other Options Considered

Not Applicable

### 7. Risk Assessment

There are no risks arising directly from this report, although clearly the work of Internal Audit minimises the risk of failures in the Council's internal control environment and governance arrangements, reduces the risk of fraud and other losses and increases the potential for prevention and detection of such issues.

## 8. 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) Not Applicable

## 9. Legal and Resource Implications

### Legal

**Not applicable**

### Financial

**(a) Revenue – Not applicable**

**(b) Capital – Not applicable**

**Land – Not applicable**

**Personnel – Not applicable**

### Appendices:

**Appendix A – Internal Audit Half-Year Report 2016/17**

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**Background Papers: None.**