



AUDIT AND GOVERNANCE COMMITTEE:

27 September 2016

Report of: Borough Treasurer

Contact for further information: Mr M.Coysh (Extn. 2603)
(E-mail: mike.coysh@westlancs.gov.uk)

SUBJECT: INTERNAL AUDIT ACTIVITY – QUARTERLY UPDATE

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To advise of progress against the 2016/17 Internal Audit Plan.

2.0 RECOMMENDATION

2.1 That Members note progress in the year to date.

3.0 BACKGROUND

3.1 This committee approved the 2016/17 Internal Audit Plan and the Internal Audit Manager brings written updates on progress against it to each meeting of this Committee.

3.2 This report summarises progress to mid-September. This work will inform the overall opinion in the Internal Audit Annual Report that will be presented to this Committee following the end of the financial year.

4.0 INTERNAL AUDIT ACTIVITY TO DATE

4.1 An appendix summarising progress to date and any significant issues arising is attached and the Internal Audit Manager will attend the meeting to present the report should Members have any questions.

4.2 Progress against the plan to date is marginally behind the previous year's with 34% of audits in progress compared to 36% for the same period in 2015/16.

4.3 The main reason for the variance is a vacancy which arose in last financial year and which was held open to allow consideration of the internal audit service

through the Policy Options process. This vacancy is currently being covered by an agency placement.

- 4.4 At the July meeting of Council a Policy Option to restructure the section, providing a comparable level of service at a reduced cost through management efficiencies was approved and the Chief Executive and Borough Treasurer were given authority to take all action necessary in connection with its implementation.
- 4.5 Steps are now being taken to bring the revised establishment into effect and the Audit Manager will provide a verbal update on the latest position at the meeting.
- 4.6 It is anticipated that by the end of the financial year 2016/17 the shortfall will have been adequately addressed and audit coverage will be sufficient to enable an adequate assessment of the adequacy and effectiveness of the Council's overall framework of governance and control for 2016/17.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 The restructure is being addressed through the Policy Options process and all other financial and resource implications arising from activity identified in this report are included in existing budget provisions.

7.0 RISK ASSESSMENT

- 7.1 This report summarises progress against Internal Audit's work programme to date. Internal Audit's work is a key source of assurance to this Committee that risks to the achievement of the Council's objectives are being properly managed.
- 7.2 Steps have been taken to provide cover for the vacant post in the Audit team and this position will be monitored and reported through future updates to this Committee until such time as the new structure is in place.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

1. Internal Audit Activity Quarterly Update.