



## AUDIT AND GOVERNANCE COMMITTEE:

31 January 2017

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**Report of: Borough Treasurer**

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

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**SUBJECT: INTERNAL AUDIT ACTIVITY – QUARTERLY UPDATE**

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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.

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### **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 date. 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 below that of the previous year with 62% of audits in progress compared to 68% for the same period in 2015/16.

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

service through the Policy Options process resulting in a shortfall in resources in the year to date.

4.4 A Policy Option to restructure the section, providing a comparable level of service at a reduced cost through management efficiencies was approved at the July meeting of Council 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. During this interim period a temporary increase in resources will be secured funded from savings in the year to date to enable delivery of the remainder of the plan. The Audit Manager will provide a verbal update on the latest position at the meeting.

## **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 adequate audit coverage and the position will be monitored and a further report brought to the March meeting of this Committee.

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### **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.