

Report of the Chief Officer (Audit and Investment)

Report to Corporate Governance and Audit Committee

Date: 9th April 2014

Subject: Internal Audit Update Report 1st December 2013 to 28th February 2014 and Internal Audit Plan 2014/15

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the Council's Corporate Governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
2. This report provides a summary of internal audit activity for the period 1st December 2013 to 28th February 2014 and highlights the incidence of any significant control failings or weaknesses.
3. The proposed Internal Audit Plan for 2014/15 is also included as part of this report.

Recommendations

4. The Corporate Governance and Audit Committee is asked to receive the Internal Audit 1st December 2013 to 28th February 2014 update report and note the work undertaken by Internal Audit during the period covered by the report.
5. The Corporate Governance and Audit Committee is asked to note the Internal Audit Plan for 2014/15.

1 Purpose of this report

- 1.1 The purpose of this report is to provide a summary of internal audit activity for the period 1st December 2013 to 28th February 2014 and highlight the incidence of any significant control failings or weaknesses.
- 1.2 The proposed Internal Audit Plan for 2014/15 is also included as part of this report and has been challenged and agreed by the Deputy Chief Executive.

2 Background information

- 2.3 The Corporate Governance and Audit Committee ('the Committee') has responsibility for reviewing the adequacy of the Council's Corporate Governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.

3 Main issues

- 3.1 The report details the work undertaken by the Internal Audit Section. The report also contains a summary of completed reviews along with their individual audit opinions.
- 3.2 There are no issues identified by Internal Audit in the December 2013 to February 2014 Internal Audit Update Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.
- 3.3 Internal Audit will continue to undertake a follow up audit on reports with limited or no assurance or where the impact has been determined as 'Major' to ensure the revised controls are operating well in practice.
- 3.4 The report also includes the 2014/15 Audit Plan. The number of days allocated to specifically provide the Chief Audit Executive (formerly known as the Head of Internal Audit)¹ with the evidence for his opinion on the control environment is 4,033 days. The level of resources required to provide internal audit services for which a charge is made is 317 days and 366 days have also been included in the plan for staff to be seconded to meet other priorities across the Council. The total planned days for 2014/15 is therefore 4,716.
- 3.5 Progress against the plan will be monitored throughout the year and key issues reported to the Deputy Chief Executive, the Chief Officer (Financial Services) and the Chief Officer (Audit and Investment.) The Chief Audit Executive will report key issues arising from this work to the Committee in the regular update reports.

4 Corporate Considerations

4.1 Consultation and Engagement

¹ The Head of Internal Audit is now referred to as the Chief Audit Executive in line with the definition used within the Public Sector Internal Audit Standards.

4.1.1 This report did not highlight any consultation and engagement considerations.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 This report does not highlight any issues regarding equality, diversity, cohesion and integration.

4.3 Council policies and City Priorities

4.3.1 The terms of reference of the Corporate Governance and Audit Committee require the Committee to review the adequacy of the Council's corporate governance arrangements. This report forms part of the suite of assurances that provides this evidence to the Committee.

4.4 Resources and value for money

4.4.1 In relation to resources and value for money, the Internal Audit work plan includes a number of value for money reviews and a number of initiatives in line with the council's value of spending money wisely. These will be included in the regular update reports to the Committee.

4.5 Legal Implications, Access to Information and Call In

4.5.1 None.

4.6 Risk Management

4.6.1 The Internal Audit plan has been and will continue to be subject to constant review throughout the financial year to ensure that audit resources are prioritised and directed towards the areas of highest risk. This process incorporates a review of information from a number of sources, one of these being the corporate risk register.

5 Conclusions

5.1 There are no issues identified by Internal Audit in the December 2013 to February 2014 Internal Audit Update Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.

6 Recommendations

6.1 The Corporate Governance and Audit Committee is asked to receive the Internal Audit December 2013 to February 2014 Update Report and note the work undertaken by Internal Audit during the period covered by the report.

6.2 The Corporate Governance and Audit Committee is asked to note the Internal Audit Operational Plan for 2014/15.

7 Background documents

7.1 None.