

<u>BLAENAU GWENT COUNTY BOROUGH COUNCIL</u>	
Report to	THE CHAIR AND MEMBERS OF THE AUDIT COMMITTEE
Report Subject	AUDIT PLAN PROGRESS REPORT FOR JULY TO OCTOBER 2017
Report Author	DAVE MCAULIFFE – CHIEF FINANCE OFFICER
Report date	23rd OCTOBER 2017
Directorate	RESOURCES
Executive Portfolio	FINANCIAL MANAGEMENT AND STRATEGY
Date of meeting	14th NOVEMBER 2017
Date signed off by Monitoring Officer <i>(please note for decision making reports only, to be submitted by Performance Team)</i>	
Date signed off by Section 151 Officer <i>(as above)</i>	
Date signed off by Chair <i>(for all reports, to be submitted by Performance Team)</i>	
Key words	Audit Plan, Progress Report.

Report Information Summary

1.	Purpose of Report*
1.1	The purpose of this report is to update the Audit Committee on the progress against the Internal Audit Plan for the period 1 st July 2017 to 31 st October 2017.
2.	Scope of the Report*
2.1	The report highlights the work undertaken by the Internal Audit Service and complies with the Public Sector Internal Audit Standards.
3.	Contribution to the National Well-Being Goals – Detail attached as Appendix 1
	See Appendix 1
4.	Recommendation(s) / Endorsement by other groups, e.g. CMT/Committees/Other groups*
4.1	Not Applicable.
5.	Recommendation/s for Consideration*
5.1	The Audit Committee considers this report and the Appendices, and notes the progress on activities from the 2017/18 Audit Plan.

Why this topic is a priority for the Council?*						
<i>Report author to identify links to the main corporate strategies.</i>						
Single Integrated Plan (SIP)	Corporate Improvement Plan (CIP)	Performance Management Improvement Framework (PMIF)	Operating Model	Transforming Blaenau Gwent (TBG Programme)	Relevant legislation	Other (please state)
					Statutory Requirements (Public Sector Internal Audit Standards)	

Reporting Pathway*							
<i>Report author to identify proposed reporting pathway. (To identify dates where relevant)</i>							
Directorate Management Team (DMT)	Corporate Management Team (CMT)	Audit	Democratic Services Committee	Scrutiny	Executive	Council	Other (please state)
		√ 23/10/17					

*Denotes mandatory section

Main Report

1.	Background and Context*
1.1	The Internal Audit Plan is based on formal Risk Assessments, with the work planned on a five year rolling programme. The Audit Plan for the period 2017-2022 was presented to the Audit Committee in June 2017.
1.2	Risk Assessments have been undertaken on all audit areas which created a rank order for prioritising audit work within each directorate. As and when an audit is to be undertaken in a service area, the highest priority audit can be selected.
1.3	The audit work allocated to staff for the period July 2017 to October 2017 is based on the rank order prioritisation and takes into account an individual auditor's experience and skill set.
2.	Performance Evidence and Information*
2.1	Activities during the period 1 st July 2017 to 31 st October 2017 are set out in Appendix A attached. The format shows a summary of findings from audit reports produced in the period, including the Formal Audit Opinion where appropriate. Where individual audits are graded as Limited Assurance or No Assurance, an Internal Audit Summary Report is presented to the Committee. For the purpose of this report, there are two Internal Audit Summary Reports and these are shown at Appendices B1-2.
2.2	Performance data for the Section for the period to the 30 th September 2017 is presented at Appendix C.
2.3	The grading's issued during the period and percentage coverage for each Department as at 30 th September 2017 is shown in the bar charts at Appendix D and E.
2.4	For 2017/18, the performance target set for achievement of the Audit Plan is 83%. This is consistent with achievement for 2016/17 and is comparable to the Welsh average percentage of 85%. (2015/16).
2.5	As at 30 th September 2017, the Section had completed 34.8% of the Audit Plan against a target of 41.5%.
2.6	It is recognised that the plan percentage is below target with the major contributing factor being capacity due to the current vacant position.
3.	Risk Implications*
3.1	Failure to provide an adequate Internal Audit Service will result in non-compliance with statutory legislation and the Section 151 Officer will be unable to discharge his Statutory Duties. This could result in increased external regulatory activity.

3.2	In addition exposure to risk in specific systems within the Authority's internal control environment may not be identified resulting in increased financial or reputational damage.
4.	Financial Implications* (to include any VAT implications)
4.1	There are no direct financial implications resulting from this report.
5.	Staffing/Workforce Development Implications*
5.1	The outcome of a service review has been concluded resulting in the removal of the two posts from the Audit structure and creation of a new Senior Auditor post As a result the Section has a current establishment of six full time posts one of which is currently vacant. The Senior Auditor post is currently being advertised for a 2 year fixed period.
5.2	.
5.3	The Section's sickness for the period to 30th September 2017 is an average of 0.4 days per person against a departmental target of 5 days per person.
6.	Options for Consideration
6.1	The Audit Committee considers the report and findings within the attached Appendices, and notes the progress on activities for the period July 2017 to October 2017.
7.	Impact Assessment Against Proposals / Options*
7.1	Taking a preventative approach The information contained within this report provides an indication of the effectiveness of the internal controls in operation for individual systems. The findings throughout the year inform the annual opinion of the Head of Internal Audit.
	Equality Impact Assessment (EQIA) The production of the audit plan progress report has a neutral impact against people or groups from the nine protected characteristics.
8.	Conclusion*
8.1	The Section has completed 34.8% of the Audit Plan for the period to 30th September 2017 against an Audit Plan target of 41.5%.
8.2	The details to accompany this report are provided for consideration at Appendices A to E.

*Denotes mandatory section

Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals.		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there anyway to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p>A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>An effective Internal Audit Service will assist with the stewardship of public money providing assurance to the communities of Blaenau Gwent on the robustness of the Authority's internal controls.</p>	
<p>A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>		
<p>A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>		

Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there anyway to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p>A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>		
<p>A Wales of cohesive communities Attractive, viable, safe and well-connected communities.</p>		
<p>A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>		
<p>A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>		