



Committee report

Committee	AUDIT COMMITTEE
Date	18 FEBRUARY 2016
Title	INTERNAL AUDIT PERFORMANCE REPORT
Report of/to	TECHNICAL FINANCE MANAGER

EXECUTIVE SUMMARY

1. This report introduces the performance report from the council's internal audit provider. It provides executive summaries of their work and key performance indicators for members to note.

BACKGROUND

2. This report is about the latest outcomes of the reviews undertaken by the council's internal auditors. The report at Appendix A provides executive summaries of the reports issued since the committee last considered internal audit's work. There have been three reports issued, two of which have been rated as 'medium' risk and one as 'low'. There were no 'high risk' reports issued since the last committee meeting.
3. There are currently six audits from the 2015-16 plan which are at the draft report stage, which will be presented at the May 2016 committee meeting.

STRATEGIC CONTEXT

4. The reviews undertaken by internal audit are an important part of the council's governance arrangements and are directed at ensuring that the council's system of control is effective in helping to deliver the council's objectives.

CONSULTATION

5. All internal audit reports are considered in draft by those who have been involved in the review, giving them the opportunity to correct any factual errors and to comment on the practicality of any recommendations. All findings and recommendations can therefore be described as 'agreed'.

FINANCIAL / BUDGET IMPLICATIONS

6. There are no direct financial implications of this report. Some of internal audit's recommendations may require additional resources which will be part

of the consideration when implementing recommendations. Unless the recommendations are significant, services are expected to meet the cost from existing budgets. The report is concerned with the performance of the internal audit provider and members will be aware that the cost of the internal audit service continues to appear competitive. Indeed the contract for the provision of internal audit services was re-let in May last year which resulted in savings compared to the previous annual cost.

LEGAL IMPLICATIONS

7. The Accounts and Audit Regulations 2015 require that local authorities undertake an adequate and effective internal audit of their accounts and internal control.

EQUALITY AND DIVERSITY

8. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

RISK MANAGEMENT

9. The key risk associated with this report is that the outcomes of internal audit reviews are ignored. Internal audit is an opportunity for weaknesses in control processes to be identified and for them to be highlighted to members.

RECOMMENDATION

10. To receive the progress report of the council's internal audit provider and consider whether any further information or action is necessary.

APPENDICES ATTACHED

11. [Appendix A](#) – Internal Audit performance report

Contact Point: Jo Thistlewood, Technical Finance Manager ☎ 821000
e-mail jo.thistlewood@iow.gov.uk

DAVE BURBAGE
*Chief Financial Officer and
Section 151 Officer*

CLLR JONATHAN BACON
*Leader and Executive Member for Resources,
Organisational Change and Children's Services.*