



REPORT TO: OVERVIEW AND SCRUTINY COMMITTEE

DATE: 29 JANUARY 2015

REPORT OF THE: FINANCE MANAGER (s151)
PETER JOHNSON

TITLE OF REPORT: INTERNAL AUDIT – Q3 PROGRESS REPORT

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The report summarises the outcome of internal audit work undertaken between April 2014 and 7 January 2015, inclusive.

2.0 RECOMMENDATION(S)

2.1 It is recommended that the Committee note the results of audit and fraud work undertaken so far during 2014/15.

3.0 REASON FOR RECOMMENDATION(S)

3.1 To enable the Committee to fulfil its responsibility for considering the outcome of internal audit work.

4.0 SIGNIFICANT RISKS

4.1 The Council will fail to comply with proper practice requirements for internal audit if the results of audit work are not considered by an appropriate Committee.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 This report supports the Council's Corporate Strategic Objective of providing strong Community Leadership, by demonstrating a commitment to local democracy and accountability.

6.0 REPORT DETAILS

6.1 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2011 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS) and CIPFA guidance on the application of those standards in Local Government. In accordance with the standards, the Head of Internal Audit is required to report on the results of audit work undertaken, to this Committee

- 6.2 Within the report there is a summary of progress made against the plan and a summary of the audit opinions for the individual audits completed thus far.
- 6.3 In the period between 1 April 2014 and 7 January 2015, inclusive, we have completed **4** out of **18** internal audit reviews to final report stage. **8** audits are currently in progress.
- 6.4 It is important that agreed actions are formally followed-up to ensure that they have been implemented by management. This work is carried out throughout the year with appropriate testing being completed as required. We have no matters to bring to the attention of Members.
- 6.5 The PSIAS, which have been in place since April 2013, required the Council to adopt an audit charter setting out the purpose, authority and responsibility of internal audit. The Audit Charter for Ryedale District Council was originally approved by this Committee in December 2013. A review of the Audit Charter has now been completed and a minor change is considered necessary to clarify the fact that auditors will not be assigned to review areas where they have had any direct operational or managerial involvement within the last year. The updated audit charter is attached at Appendix D, with the changes highlighted. The Charter has been prepared in accordance with the PSIAS and additional guidance from CIPFA.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

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Background Papers:

Public Sector Internal Audit Standards
CIPFA Local Government Application Note (for the United Kingdom Public Sector Internal Audit Standards)