

## CAMBRIDGE CITY COUNCIL

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REPORT OF: Director of Resources

TO: Civic Affairs Committee

20 November 2013

WARDS: All

### **INTERNAL AUDIT PLAN 2013 / 2014: PROGRESS REPORT**

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#### **1 INTRODUCTION**

- 1.1 The purpose of this report is to provide members with an update on progress with the annual Internal Audit Plan for 2013 / 2014. The original audit plan was agreed by Civic Affairs Committee on 20 March 2013.

#### **2. RECOMMENDATIONS**

- 2.1 Civic Affairs Committee is requested to:

- Note progress against the original plan together with the associated assurance levels established;
- Progress against implementation of agreed actions; and
- Identify any areas for further information.

#### **3 INTERNAL AUDIT PLAN 2013 / 2014 PROGRESS (Appendix A)**

##### **Work In Progress**

- 3.1 To the end of October, 71% of the audit plan has commenced against a forecast at this stage of 59%. The staffing of the service has remained stable until September when the service lost 2 full time employees – a Senior Auditor and an Assistant Auditor – due to obtaining employment elsewhere. While there have been no direct replacements at this juncture, there has been a review of the audit requirements for Cambridge City Council. As a result of this it has been proposed and agreed with the Executive Councillor (Customer Services and Resources) to reduce the establishment by 0.8 fte and contribute savings of £23,000 per annum.
- 3.2 Due to robust risk assessments by Internal Audit and challenge and scrutiny by senior management when the original audit plan was compiled in March 2013, there has been no call on the audit plan being amended in the first five months of the year. Furthermore, it is deemed unnecessary to remove any items from the plan other than those identified as requiring deferment to next year.

Nevertheless, the audit plan will remain constantly under review in case unexpected events / issues arise.

- 3.3 The original plan included provisions for follow-up work, special investigations, request work, risk work and finalisation of the audits carried forward from 2012 / 2013. These provisions have been reviewed and at the current time are felt to be appropriate. In relation to audits identified as critical we will continue to give these audits priority.
- 3.4 Should any special investigation work or significant additional request work be required by Councillors or officers, which leads to the potential for resources required exceeding the amount set aside, then the Head of Internal Audit will establish the course of action to be taken in consultation with the Chair of Civic Affairs Committee. This will then be reported to the next scheduled Civic Affairs Committee.
- 3.5 The result of the work set out in the Internal Audit plan will be the production of the annual opinion by the Head of Internal Audit for this Committee.

### **Follow Up Audits**

- 3.6 Time was built into the original Audit Plan to undertake a number of key follow-up audits where the original audit received 'No' or 'Limited' assurance. Those reports were identified within the Head of Internal Audit Opinion that was presented to the Civic Affairs Committee in June 2013. The implementation rate of management agreed actions has significantly improved since we last reported to this committee in June 2013.

### **Risk Management**

- 3.7 In conjunction with Support Services, Internal Audit has been assisting in the re-branding of risk management across the authority. Regular progress reports are tabled with the Strategic Leadership Team.

## **4 IMPLICATIONS**

### **(a) Financial Implications**

The proposed reduction of the Internal Audit team will generate an on-going saving of £23,000 per annum whilst preserving the overall integrity of the audit plan.

### **(b) Staffing Implications**

The Internal Audit establishment will be reduced by 0.8 fte.

### **(c) Legal Implications**

The Council has a legal obligation to maintain an adequate and effective system of internal audit, and the council has delegated this responsibility to the Civic Affairs Committee and the Director of Resources. This report comments on Internal Audit performance relating to the 7 month period

ended 31 October 2013. There are no adverse legal implications relating to the reporting progress.

(d) **Risk Implications**

In terms of risk management, the Internal Audit Plan and its outcomes are a key part of the Council's risk management and assurance framework. The Internal Audit Plan is based on risk assessments that include a review of the Council's risk register.

(e) **Equal Opportunities Implications**

The Council's Equal Opportunities Policy is applied within the Department.

(f) **Environmental Implications**

Nil: indicates that the proposal has no climate change impact.

(g) **Community Safety**

There are no Community Safety implications in this report.

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

Internal Audit Plan 2013 / 20143  
Public Sector Internal Audit Standards, 2013

To inspect these documents contact Steve Crabtree on extension 8181. The author and contact officer for queries on this report is Steve Crabtree.

Report file:

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