

**STROUD DISTRICT COUNCIL**  
**AUDIT AND STANDARDS COMMITTEE**

**AGENDA  
ITEM NO**

**6 FEBRUARY 2018**

**9**

<b>Report Title</b>	<b>INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2017/18</b>
<b>Purpose of Report</b>	To inform Members of the Internal Audit activity progress in relation to the approved Internal Audit Plan 2017/18.
<b>Decisions(s)</b>	The Committee RESOLVES to: <ol style="list-style-type: none"> <li>1. Accept the progress against the Internal Audit Plan 2017/18; and</li> <li>2. Accept the assurance opinions provided in relation to the effectiveness of the Council's control environment comprising risk management, control and governance arrangements as a result of the Internal Audit activity completed to date.</li> </ol>
<b>Consultation and Feedback</b>	Internal Audit findings are discussed with Service Heads/Managers. Management responses to recommendations are included in each assignment report.
<b>Financial Implications and Risk Assessment</b>	There are no financial implications arising from the report. David Stanley, Accountancy Manager (Section 151 Officer) Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a>  Risk Assessment: Failure to deliver an effective Internal Audit service will prevent an independent, objective assurance opinion from being provided to those charged with governance that the key risks associated with the achievement of the Council's objectives are being adequately controlled.
<b>Legal Implications</b>	No specific legal implications concerning the information within the report. The report largely refers to matters which amount to operational as opposed to current strategic risks. (Ref.r161c191d251) Karen Trickey, Head of Legal Services Tel: 01453 754369 Email: <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a>
<b>Report Author</b>	Theresa Mortimer, Head of Audit Risk Assurance (Chief Internal Auditor) Tel: 01453 754319 Email: <a href="mailto:theresa.mortimer@stroud.gov.uk">theresa.mortimer@stroud.gov.uk</a>

<b>Options</b>	There are no alternative options that are relevant to this matter.
<b>Performance Management Follow Up</b>	In accordance with the Public Sector Internal Audit Standards 2017 (PSIAS) and reflected within the Audit and Standards Committee work programme, Internal Audit reports on progress against the approved Internal Audit Plan 2017/18.
<b>Background Papers/ Appendices</b>	<p><b>Appendix A</b> – Internal Audit Activity Progress Report 2017/18.</p> <p><b>Background papers:</b></p> <ul style="list-style-type: none"> <li>➤ Internal Audit Plan 2017/18;</li> <li>➤ PSIAS; and the</li> <li>➤ CIPFA Local Government Application Note for the UK PSIAS.</li> </ul>

## 1.0 Background

- 1.1 Members approved the Internal Audit Plan 2017/18 at 11<sup>th</sup> April 2017 Audit and Standards Committee meeting. In accordance with the Public Sector Internal Audit Standards 2017 (PSIAS), this report (through **Appendix A**) details the outcomes of Internal Audit work carried out in accordance with the approved Plan.
- 1.2 The Internal Audit Activity Progress Report 2017/18 at **Appendix A** summarises:
- The progress against the 2017/18 Internal Audit Plan, including the assurance opinions on the effectiveness of risk management and control processes;
  - The outcomes of the Internal Audit activity during the period November 2017 to December 2017; and
  - Special investigations/counter fraud activity.
- 1.3 The report is the third progress report in relation to the Internal Audit Plan 2017/18.
- 1.4 In relation to the areas covered in the Internal Audit Activity Progress Report 2017/18 at **Appendix A**, Members of the Audit and Standards Committee may wish to refer to the Council’s risk register on Excelsis for further information relating to the management of risks. Specifically Benefit Services has acknowledged the associated inherent risk relating to Discretionary Housing Payments (DHPs) and has captured this using the corporate system for risk recording (Excelsis) as follows:
- R&B11: “If Benefit assessments are made incorrectly by staff then there is a risk that an incorrect award of benefit will be made. This could result in either an overpayment or underpayment of benefit. Equally if benefits are paid on the basis of inaccurate or incomplete applications then there is a risk of error entering the system resulting in incorrect awards of benefit.”