

Name of meeting: Corporate Governance & Audit Committee
Date: 20th April 2018

Title of report: Quarterly Report of Internal Audit 2017/18
Quarter 4: January 2018 - March 2018

Purpose of report; To provide information on Internal Audit activity in the fourth quarter of 2017/18, and other assurance information.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	Not applicable
The Decision - Is it eligible for "call in" by Scrutiny?	Not applicable
Date signed off by Director & name	Not applicable
Is it also signed off by the Service Director for Finance, IT & Transactional Services	
Is it also signed off by the Service Director - Legal Governance and Commissioning?	
Cabinet member portfolio	Not applicable

Electoral wards affected: All
Ward councillors consulted: Not applicable

Public but with a private appendix

1. Summary

- 1.1 This report sets out the activities of Internal Audit in the fourth quarter of 2017/18.
 This report contains information about 22 formal opinion based pieces of work, 1 investigation, 4 other projects or tasks and 1 completed audit related to the Housing Revenue Account (HRA) and Kirklees Neighbourhood Housing.
- 1.2 The investigation related to an employee whose work roles are split causing a risk of error, although none was identified.
- 1.3 The 22 opinions covered a range of matters including an assessment of arrangements for market pay and honorias/acting up allowances, assessment of some payroll arrangements, and of one major public health contract. All provided at least adequate assurance.
- 1.4 As part of the work, 8 schools were visited and all but one offered substantial or adequate assurance.
- 1.5 Business controls audit work assessed areas such as risk management, the officer delegation scheme, vacancy management, housing register and IT business recovery. All these areas provided at

least adequate assurance. There were areas that require improvement to comply with recommended standards as set out in the Appendix.

- 1.6 Of 4 follow-up audits, only 1 had improved sufficiently to be rated adequate.
- 1.7 Overall, only 77% of work in this period attracted a positive outcome- in line with the year average. The cumulative positive outcome for the year is 78% (target 80%).
- 1.8 There are no Internal Audit resourcing issues this quarter=
- 1.9 It was agreed at March 2018 Council that this committee consider any surveillance activities under the Regulation of Investigatory Powers Act 2000. (Annex 1). It is intended that in order to improve the overall visibility of assurance work, some additional material is appended to future quarterly reports about other control environment reporting matters, including a summary of progress against the actions contained as a consequence of the annual governance statement.

2. Information required to take a decision

- 2.1 The detail is contained within the Appendix.

3. Implications for the Council

- 3.1 Early Intervention and Prevention (EIP) -None directly
- 3.2 Economic Resilience (ER) -None directly
- 3.3 Improving Outcomes for Children -None directly
- 3.4 Reducing demand of services -None directly
- 3.5 Although each of the sub categorisations above suggest no direct implications, the work of internal audit covers all aspects of the councils operations, including elements of the above, either specifically, indirectly or on a commissioned basis.
- 3.6 The main issues relate to those areas highlighted above- where there are risks associated with basic processing arrangements, and delivering sound governance and control.

4. Consultees and their opinions

- 4.1 Directors/Head of Service have been involved in the outcomes from each audit project.

5. Next steps

- 5.1 To consider if any additional activity is sought.(Limited assurance audit outcomes are routinely followed up)

6. Officer recommendations and reasons

- 6.1 Members are asked to note the Internal Audit Quarterly Report and determine if any further action is sought on any matter identified.
- 6.2 Members are also asked to note that there has been no Regulation of Investigatory Powers Act activity during the period from December 2017 to the date of this report.

7. Cabinet portfolio holder recommendation

7.1 Not applicable.

8. Contact officer

Martin Dearnley, Head of Risk (01484 221000; x 73672)

9. Background Papers and History of Decisions

The detailed Quarter 4 Internal Audit Report is attached as an appendix for consideration in private session.

10. Director responsible

Not applicable.

**Annex 1;
Additional disclosure of information**

Reporting of surveillance activity under the Regulation of Investigatory Powers Act 2000.

None this period