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|  | <h2>Audit Committee</h2> <h3>19th April 2018</h3> |
| <p style="text-align: right;">Title</p> | <p>Internal Audit Q4 Progress Report 1st January to 31st March 2018</p> |
| <p style="text-align: right;">Report of</p> | <p>Head of Internal Audit</p> |
| <p style="text-align: right;">Wards</p> | <p>N/A</p> |
| <p style="text-align: right;">Status</p> | <p>Public</p> |
| <p style="text-align: right;">Urgent</p> | <p>No</p> |
| <p style="text-align: right;">Key</p> | <p>No</p> |
| <p style="text-align: right;">Enclosures</p> | <p>Appendix 1 - Internal Audit Q4 progress report (1st January to 31st March 2018)</p> |
| <p style="text-align: right;">Officer Contact Details</p> | <p>Caroline Glitre, Head of Internal Audit caroline.glitre@barnet.gov.uk 020 8359 3721</p> |

Summary

Members are asked to note Appendix 1, which reports the progress against internal audit recommendations and work completed to date on the Internal Audit & Corporate Anti-Fraud Team (CAFT) Plan 2017-18 and high priority internal audit recommendations.

We have completed 83 reviews, 95% of our 2017/18 internal audit programme for the year, which meets our target for the year. 27 of the reviews were delivered in Q4.

Detail has been presented within the report on audits that were given 'Limited' assurance in Q4:

| | | Assurance rating |
|---|------------------------------|-------------------------|
| 1 | Accounts Payable | Limited |
| 2 | St. Paul's CE Primary School | Limited |

Full copies of 'No' and 'Limited' Assurance audit reports are available on the Barnet

website here:

<http://barnet.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=13619&path=0>

The Q4 progress update also covers the follow-up audit work done to confirm implementation of previous high priority recommendations. We have confirmed that 82% of the recommendations due have been fully implemented, against a target of 90%.

Family Services audits

As part of the 2017/18 audit plan agreed by the Audit Committee in April 2017, we proposed to undertake a number of audits relating to Family Services. As reported to the Audit Committee in Q2, due to the Council having been inspected by Ofsted during the quarter, we have been working with the Director of Children's Services and the Inspection & Improvement Lead to agree the most effective way for internal audit to support the Family Services Improvement Programme.

During Q4 we have:

- Undertaken a review of the Improvement Plan actions that have, to date, been reported as 'complete' to the Improvement Board. This review confirmed that appropriate evidence was available to support nine of the ten actions having been reported as 'complete'. For one of the ten actions we are awaiting further evidence of improvement.
- Raised advisory recommendations as a result of this review, the key one being that the Inspection and Improvement Lead should maintain a central repository of the evidence to support action completion so that it is readily available for Ofsted.
- Met with the Independent Chair of the Improvement Board to discuss and agree our approach.
- Attended the Children's Services Operational Improvement Group and provided feedback on those meetings.
- Liaised with the Inspection and Improvement Lead on how best to support her work.

We will continue to report back to the Audit Committee against this on a quarterly basis.

Recommendations

- 1. That the Committee note the work completed to date on Internal Audit Q4 progress report - 1st January to 31st March 2018.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Committee's role in receiving this report is to note the overall progress made against the 2017-18 Internal Audit Plan and the high priority recommendations made. In addition, the Audit Committee can inquire of Directors and Assistants Directors as to their progress against recommendations.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Audit Committee approved the Internal Audit Plan 2017-18 in April 2017 and this report notes the progress against that plan and progress against high priority recommendations.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not relevant.

4. POST DECISION IMPLEMENTATION

- 4.1 The Internal Audit Plan 2017-18 will continue to be delivered as reported to the Audit Committee with recommendations implemented in line with the report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 All internal audit and risk management planned activity is aligned with the Council's objectives set out in the Corporate Plan 2015-2020, and thus supports the delivery of those objectives by giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 When internal audit findings are analysed alongside finance and performance information it can provide management with the ability to assess value for money.

- 5.2.2 The Internal Audit Plan 2017-18 agreed by the Audit Committee is being achieved from Internal Audit's current budget with contributions from Capita towards the cost of audits of CSG and Re.

5.3 Legal and Constitutional References

- 5.3.1 There are no legal issues in the context of this report.

- 5.3.2 The Council's Constitution (Article 7) sets out the terms of reference for Committees. The responsibilities for the Audit Committee include providing "independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

5.4 Risk Management

- 5.4.1 All Internal Audit activity is directed toward giving assurance about risk management within the areas examined. By so doing the aim is to help maximise the achievement of the Council's objectives. Internal Audit does this by identifying areas for improvement and agreeing actions to address the weaknesses.

- 5.4.2 Internal Audit work contributes to increasing awareness and understanding of

risk and controls amongst managers and thus leads to improving management processes for securing more effective risk management.

5.5 **Equalities and Diversity**

5.5.1 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess, as appropriate, the differential aspects on different groups of individuals to ensure compliance with the Council's duties under the 2010 Equality Act.

5.6 **Consultation and Engagement**

5.6.1 N/A

6. **BACKGROUND PAPERS**

6.1 Audit Committee 11 March 2010 (Decision Item 11) - the Committee accepted that there would be progress reports to all future meetings of the Committee and, that for all "limited" or "no assurance" audits, there should be a brief explanation of the issues identified.

<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201003111900/Agenda/Document%208.pdf>

6.2 Audit Committee 21 September 2010 (Decision Item 7) – the Committee agreed that where an audit had limited assurance that greater detail be provided than previously.

<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201009211900/Agenda/Document%203.pdf>

6.3 Audit Committee 17 February 2011 (Decision Item 7) – the Committee (i) agreed that a report would be prepared quarterly regarding those internal audit recommendations not implemented (ii) requested that the table of priority 1 recommendations should in future indicate what date recommendations were made to service areas and the implementation date.

<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201102171900/Agenda/Document%204.pdf>

6.4 Audit Committee 20 April 2017 (Decision Item 10) – the Audit Committee approved the Internal Audit and Anti-Fraud Strategy and Annual Plan 2017-18.

<https://barnetintranet.moderngov.co.uk/documents/g8829/Printed%20minutes%2020th-Apr-2017%2019.00%20Audit%20Committee.pdf?T=1>

