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| | <p style="text-align: center;">Audit Committee 30th January 2017</p> |
| <p style="text-align: center;">Title</p> | <p style="text-align: center;">Internal Audit Exception Recommendations Report and Progress Report up to 31st December 2016 - ADDENDUM</p> |
| <p style="text-align: center;">Report of</p> | <p>Caroline Glitre – Head of Internal Audit</p> |
| <p style="text-align: center;">Wards</p> | <p>Not Applicable</p> |
| <p style="text-align: center;">Status</p> | <p>Public</p> |
| <p style="text-align: center;">Urgent</p> | <p>No</p> |
| <p style="text-align: center;">Key</p> | <p>No</p> |
| <p style="text-align: center;">Enclosures</p> | <p>Appendix 1 - Regional Enterprise (Re): Operation Review Phase 2: Operating Effectiveness Investigating and resolving alleged breaches of planning control</p> |
| <p style="text-align: center;">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 the progress against internal audit recommendations and work completed to date on the Internal Audit, Corporate Anti-Fraud Team (CAFT) and Risk Management Plan 2016-17 (the Internal Audit Plan 2016-17).

Detail has been presented within this report on the eighth and final control tested as part of the following review:

Regional Enterprise (Re): Operation Review, Phase 2: Operating Effectiveness.

The control tested related to **Investigating and resolving alleged breaches of planning control**.

At the time of publication of the main Audit Committee papers the findings on this control were only at 'Draft report' stage, and therefore the main Q3 report only included the

outcome of the testing on 7 of the 8 controls tested across Re's services. The audit work on the eighth and final control, related to Investigating and resolving alleged breaches of planning control, has now been completed and the report issued as final.

Recommendations

- 1. That the Committee note the work completed to date on the Internal Audit Annual Plan 2016-17.**

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 2016-17 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 2016-17 in April 2016 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 2016-17 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 2016-17 agreed by the Audit Committee is being

achieved from Internal Audit's current budget.

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, Responsibilities for Functions - the Audit Committee terms of reference paragraph 2 states that the Committee can consider summaries of specific internal audit reports as requested.

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>