

# Taunton Deane Borough Council

## Corporate Governance Committee – 17 September 2018

### SWAP Internal Audit – Internal Audit Plan 2018/19 Progress

This matter is the responsibility of Executive Councillor Richard Parrish

Report Author: Alastair Woodland, Assistant Director, SWAP

#### 1 Executive Summary

- 1.1 The Internal Audit function plays a central role in corporate governance by providing assurance to the Corporate Governance Committee, looking over financial controls and checking on the probity of the organisation.
- 1.2 The 2018-19 Annual Audit Plan is to provide independent and objective assurance on TDBC's Internal Control Environment. This work will support the Annual Governance Statement.

#### 2 Recommendations

- 2.1 Members are asked to note progress made in delivery of the 2018/19 internal audit plan and significant findings since the previous update in June 2018.

#### 3 Risk Assessment

- 3.1 Any large organisation needs to have a well-established and systematic risk management framework in place to identify and mitigate the risks it may face. TDBC has a risk management framework, and within that, individual internal audit reports deal with the specific risk issues that arise from the findings. These are translated into mitigating actions and timetables for management to implement.

#### Risk Matrix

Description	Likelihood	Impact	Overall
Without the delivery of the approved audit plan there is the risk of insufficient audit work being completed to provide a reasonable assurance to stakeholders that there is an effective control framework in place, adequately mitigating risks to the authority's risk appetite.	3	3	9

## Risk Scoring Matrix

<b>Likelihood</b>	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
<b>Impact</b>							

<b>Likelihood of risk occurring</b>	<b>Indicator</b>	<b>Description (chance of occurrence)</b>
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

## 4 Background

4.1 This report summarises the work of the Council's Internal Audit Service and provides:

- Details of any new significant weaknesses identified during internal audit work completed since the last report to the committee in June 2018.
- A schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority rankings of these.

4.2 The Internal Audit Progress Report for 2018/19 is contained within the attached SWAP Report.

## 5 Links to Corporate Aims

5.1 Delivery of the corporate objectives requires strong internal control. The attached report provides a summary of the audit work carried out to date this year by the Council's internal auditors, South West Audit Partnership.

## **6 Finance**

6.1 There are no specific finance issues relating to this report.

## **7 Legal Implications**

7.1 There are no specific legal issues relating to this report.

## **8 Environmental Impact Implications**

8.1 There are no direct implications from this report.

## **9 Safeguarding and/or Community Safety Implications**

9.1 There are no direct implications from this report.

## **10 Equality and Diversity Implications**

10.1 There are no direct implications from this report.

## **11 Social Value Implications**

11.1 There are no direct implications from this report.

## **12 Partnership Implications**

12.1 There are no direct implications from this report.

## **13 Health and Wellbeing Implications**

13.1 There are no direct implications from this report.

## **14 Asset Management Implications**

14.1 There are no direct implications from this report.

## **15 Consultation Implications**

15.1 There are no direct implications from this report.

### **Democratic Path:**

- **Corporate Governance Committees – Yes**
- **Cabinet/Executive – No**
- **Full Council – No**

**Reporting Frequency :**  **Once only**  **Ad-hoc**  **Quarterly**

Twice-yearly       Annually

**List of Appendices (delete if not applicable)**

Appendix A	SWAP Internal Audit Progress Report 2018/19
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