

INTERNAL AUDIT UPDATE – JULY 2018

1 Purpose

- 1.1 To update the Audit Committee on the work of internal audit since the Audit Committee meeting in June 2018.

2 Recommendations

- 2.1 The committee is recommended to note the update report.

3 Internal audit work programme

- 3.1 The 2018/19 Annual Internal Audit Plan was approved at the Audit Committee meeting in June 2018. Work has commenced to scope the internal audit reviews included in the first half of the plan.

4 Corporate Risk Register

- 4.1 The Corporate Risk Register (CRR) was reviewed by Cabinet on 10 July 2018.
- 4.2 Since the meeting of the Audit Committee on 26 June 2018, the risk register has not been updated, and so no report has been prepared for this meeting.
- 4.3 The CRR will be reviewed and updated by Strategic Board on 25 July. This will include review of the new risk proposed by Audit Committee relating to the quality of planning service delivery, decisions and timeliness of response to applications; reflecting that this is compounded by vacancies in the planning team (although reducing), reliance on consultants and the rate of growth within the Vale.

5 Aylesbury Vale Broadband

- 5.1 On 12 June 2018, Audit Committee received, discussed and approved the Aylesbury Vale Broadband (AVB) review report from the independent auditor.

- 5.2 At a meeting of full council on 28 June 2018 the following resolutions were passed in relation to AVB:

(1) That this Council notes that, at its meeting on 12 June 2018, the Audit Committee of AVDC accepted and agreed the twenty two recommendations of the BDO LLP review into AVB. As such, Council endorses the decision and formally adopts the recommendations which are to be applied to all its current and future commercial ventures. Further, a cross party group will be formed to oversee the implementation of the recommendations, the group to be appointed by the Audit Committee.

(2) That in view of concerns about various financial aspects of financial matters reported in the BDO LLP report on the review of Aylesbury Vale Broadband (AVB), the Council as 95% shareholder in AVB, agrees for a detailed examination of the accounts of AVB to be carried out as a matter of urgency by AVDC's internal audit team and a report of this be delivered to the Audit Committee.

- 5.3 At the Cabinet meeting on 10 July, 2018, the recommendations of the Audit Committee were endorsed. Group Leaders will be asked in due course to determine the membership of the cross party group (Resolution 1 above).
- 5.4 In relation to resolution (2), the scope and objectives of this review will be further discussed and agreed with Group Leaders.

When the scope of work is agreed, consideration will need to be given to the impact on the existing Internal Audit plan of work, approved by Audit Committee in June, and/or additional internal audit budget requirement.

It is unlikely that this work will commence before the beginning of September 2018.

6 Member training

- 6.1 CIPFA Better Governance Forum is running a training event "Introduction to the Knowledge and Skills of the Audit Committee" in London on 20 September 2018.
- 6.2 This event offers the opportunity to develop the knowledge and skills of audit committee members through briefings and in-depth guidance. Key features of the workshop include:

- Guidance on the knowledge and skills audit committees should have, featuring a practical session
- Guidance on the audit committee role in relation to internal audit, risk management and assurance, drawing from CIPFA's Position Statement and guidance on audit committee in local authorities and police
- Discussion and support on overcoming the barriers to audit committee excellence
- Briefings on recent and emerging governance issues to keep audit committee members up-to-date

The workshop will also provide the opportunity to network with other audit committee members, exchange ideas and discuss current issues.

- 6.3 Should existing or new members wish to attend, or have other training/development needs, they should contact Kate Mulhearn or Craig Saunders.

7 Reasons for Recommendations

- 7.1 Ensuring a proper and effective flow of information to Audit Committee Members enables them to perform their role effectively and is an essential element of the corporate governance arrangements at the Council.

8 Resource Implications

- 8.1 There are no resource implications to report.

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Background papers: none