

Internal Audit Progress Report

January 2016

Northampton Borough Council



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| Distribution list | Audit Committee |
| Background and scope | The purpose of this report is to provide a progress update on the agreed 2015/16 internal audit plan. |

Plan outturn

2015/16 Audit Plan

The 2015/16 internal audit plan was approved by the Audit Committee on 7 September 2015 and since then we have undertaken work in accordance with the plan.

A statement tracking assignments undertaken and planned activity is shown in Appendix One. At the time of writing this report we have completed 50 days (25%) of the planned audit days. Work will increase in the next few months and we will continue to keep members informed of progress.

Activity and Progress

Reports

This section will provide a summary of all final reports issued since the previous Committee meeting. To date, no final reports have been issued for the 2015/16 internal audit plan.

| <i>Ref</i> | <i>Name of audit</i> | <i>Conclusion</i> | <i>Date final report issued</i> | <i>No of recommendations made</i> | | | |
|------------|----------------------|-------------------|---------------------------------|---|---|---|---|
| | | | |  |  |  |  |
| | | | | Critical | High | Medium | Low |

Fieldwork

Work is progressing in the following areas:

LGSS Contract

The attached paper provides an update on progress to date on the internal audit review of the delivery of the LGSS contract.

Governance and risk

This is a non-assurance review to support the Council in re-designing risk management arrangements, ensuring these are fit for purpose, fully integrated into Council business activities and that consideration of risk is integral to decision making going forward.

A workshop is planned for January 2016 with the Senior Management Team to identify risks and existing sources of assurance and/or gaps and determine the appetite to risk, in order to ensure that the Council can deliver its services in a cost effective and efficient manner. This will inform an updated strategic risk register, aligned to the Council's strategic vision and objectives, and support the development of a revised risk management approach going forward. Further areas for internal audit review may be identified as a result of this exercise, and the Audit Committee will be informed accordingly.

Review of Section 151 Officer role

A draft report has been shared with management and will be reported at the next meeting of the Audit Committee.

Other activity

We provided an Audit Committee training session for new members in June 2015.

Appendix 1 - Internal audit detailed progress tracker

| <i>Ref</i> | <i>Auditable unit</i> | <i>Indicative number of days*</i> | <i>Actual audit days to date</i> | <i>Scoping meeting date</i> | <i>Proposed fieldwork dates</i> | <i>Proposed final report date</i> | <i>Audit Committee reporting date</i> |
|-------------------|---|-----------------------------------|----------------------------------|-----------------------------|---------------------------------|-----------------------------------|---------------------------------------|
| A1 | Governance and risk | 75 | 4 | June 2015 | Q4 | March 2016 | March 2016 |
| A2 | LGSS contract | 75 | 20 | September 2016 | Q2 – Q4 | February 2016 | March 2016 |
| A3 | Directorate governance: Borough Secretary | 10 | 0 | January 2016 | 15 /02/16 | March 2016 | March 2016 |
| A4 | Review of Section 151 Officer role | 10 | 10 | During 2014/15 | Q1 & Q2 | January 2016 | March 2016 |
| M1 | Audit Management | 30 | 16 | n/a | n/a | n/a | n/a |
| Total days | | 200 | 50 | | | | |

* Where appropriate and in agreement with client management, we are able to flex our audit service to include more senior or specialist staff to respond to the risks generated by audit reviews. Where we do this we effectively agree a fixed fee for the audit work which is derived from the combined fees of the planned audit days allocated to this audit review during the annual planning process.

Appendix 2 – Thought leadership publications

As part of the regular reporting to you we plan to keep you up to date with emerging thought leadership published by PwC. The PwC Public Sector Research Centre produces a range of research and is a leading centre for insights, opinion and research on best practice in government and the public sector.

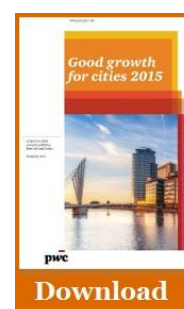
All publications can be read in full at www.psrc.pwc.com/. You can also read our blogs on Public Sector Matters Globally http://pwc.blogs.com/psm_globally/.

Good growth for cities 2015: Our report on economic wellbeing in UK urban areas – Nov 2015

The economic outlook in 2015 has improved, with rising employment and a welcome return to growth of real earnings, which means that the public is finally starting to feel the benefits of recovery.

This is our 4th Good Growth for Cities report where we measure the performance of the UK's largest cities against a basket of ten categories defined by the public, and business, as key to economic success and wellbeing.

To deliver on the potential of decentralisation however, local institutions need to have the local leadership, capacity and capability as well as the accountability arrangements in place to support their case to government for further powers - and ensure good growth outcomes are achieved



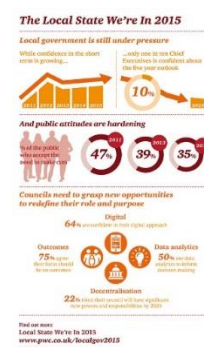
Local State We're In 2015 - Our annual temperature check of local government

Local authorities are facing challenges on all fronts: financial pressures continue while demand and public expectations grow, alongside concerns about councils having the capacity and capability to respond.

Five years on from our original Local State We're In survey, Chief Executives and Leaders have recognised the need to do things differently, looking beyond their organisational boundaries and taking a place-based, whole systems approach.

Picking up a theme from last year's survey, three quarters of local authorities now agree that their focus should be on outcomes, rather than service delivery. However, only a third of Chief Executives are confident they have a good understanding of the cost of securing outcomes across their area, and fewer are confident they understand how to measure outcomes and their impact.

New ways of working bring new risks and require new skills and collaborative relationships. As we look to 2015 and beyond, the challenge is to turn new strategies into new ways of working for staff, the public and partners that make a real impact on outcomes.



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