

# *Internal Audit Progress report*

Northampton  
Borough Council

July 2016

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# Introduction

## *Purpose of this report*

We are committed to keeping the Audit Committee up to date with Internal Audit progress and activity throughout the year. This summary has been prepared to update you on our activity since the last meeting of the Audit Committee and to bring to your attention matters that are relevant to your responsibilities as members of the Authority's Audit Committee.

## *2016/17 Internal Audit Plan Progress*

The draft 2016/17 Internal Audit Plan was presented and approved by the Audit Committee at its meeting on the 27 July 2016. The Internal Audit Plan sets out the risks that were identified as part of the planning process, together with the targeted work to be performed in order to address the identified risks. We will report back to you on any changes to the assessment of audit risks and on the work undertaken in response to the risks identified.

We have continued our Internal Audit fieldwork and are pleased to report work is ongoing in the following areas:

- Risk Management; and
- Northampton Town Football Club.

We have also arranged review scoping meetings for the following areas:

- Economic Development and Regeneration;
- Planning;
- Customers and Communities; and
- Housing and Wellbeing.

A detailed assessment of our performance against the Internal Audit Plan, tracking assignments undertaken and planned activity is shown in Appendix One. At the time of writing this report we have completed 16 days of the planned audit days.

## *Changes to the 2016/17 Internal Audit Plan*

Our original plan indicated that the Directorate Governance Review in the Borough Secretary Department would take place in Quarter 2. We have put this review on hold at the request of the Council owing to a change in the directorate's structure and a need for new roles to be embedded. We will continue to review the situation and plan to undertake this review during a more appropriate time.

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# *Activity and progress*

## *Ongoing fieldwork*

Work is progressing in the following areas:

### *Risk Management*

We started a series of risk management and assurance mapping workshops in February 2016 with the Directors and we have continued to provide support to embed the risk management framework.

A workshop was held in May 2016 with the risk and performance management officer and section 151 officer to review the proposed risk register and consider the effects of the Council's revised approach to risk management. We facilitated a workshop at the Management Board meeting in June 2016 and supported Directors in identifying current risks which affect the Council.

Going forward, another workshop is planned at the Management Board meeting in September 2016 where we will support in reviewing the updated risk register, populated with the identified risks. Once finalised, the risk register will be shared on a regular basis with the Audit Committee.

### *Northampton Town Football Club*

We have provided verbal updates to the Audit Committee at its meetings in March and May 2016. The review has continued in line with the agreed terms of reference and continues to progress well. The fieldwork is substantially complete and we are in the process of undertaking internal review procedures before the report is shared with management and the Audit Committee.

# Appendix 1: Detailed progress tracker

<i>Ref</i>	<i>Auditable Unit</i>	<i>Indicative number of audit days*</i>	<i>Actual audit days to date</i>	<i>Proposed fieldwork dates</i>	<i>Scoping meeting date</i>	<i>Proposed draft report date</i>	<i>Proposed management response date</i>	<i>Proposed final report date</i>	<i>Audit Committee reporting date</i>
<b>A1</b>	Contract management: LGSS review	20	-	Q1-2	TBC	TBC	TBC	TBC	TBC
<b>A2</b>	Risk management	10	5	Q1-2	Work ongoing from 15/16				
<b>A3</b>	Business Continuity	10	-	Q3	TBC	TBC	TBC	TBC	TBC
<b>A4</b>	Governance: Corporate Policy	10	-	Q3	TBC	TBC	TBC	TBC	TBC
<b>A5</b>	Performance Management	10	-	Q3	TBC	TBC	TBC	TBC	TBC
<b>A6</b>	NTFC	10	6	Q1	Work ongoing from 15/16				
<b>B1</b>	Economic development and regeneration	10	-	Q4	1 <sup>st</sup> August 2016	TBC	TBC	TBC	TBC
<b>B2</b>	Planning	10	-	Q3	1 <sup>st</sup> August 2016	TBC	TBC	TBC	TBC
<b>C1</b>	Directorate governance: Borough Secretary	10	-	Q2	TBC	TBC	TBC	TBC	TBC
<b>D1</b>	Environmental Health and Licencing	10	-	Q3	1 <sup>st</sup> August 2016	TBC	TBC	TBC	TBC
<b>D2</b>	Environmental services	10	-	Q3	1 <sup>st</sup> August 2016	TBC	TBC	TBC	TBC
<b>D3</b>	Customers and cultural services	10	-	Q3	1 <sup>st</sup> August 2016	TBC	TBC	TBC	TBC

<b>E1</b>	Housing options	10	-	Q2	1 <sup>st</sup> August 2016	TBC	TBC	TBC	TBC
<b>E2</b>	Private Sector Housing	10	-	Q2	1 <sup>st</sup> August 2016	TBC	TBC	TBC	TBC
<b>E3</b>	Partnerships and Communities	10	-	Q3	1 <sup>st</sup> August 2016	TBC	TBC	TBC	TBC
<b>F1</b>	Internal audit management	20	5	Q1-4	TBC	TBC	TBC	TBC	TBC
<b>F2</b>	Contingency	20	-	Q1-4	TBC	TBC	TBC	TBC	TBC
	Total audit days	200	16						

*\* 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.*

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# Appendix 2. Recent Publications

## *PwC Publications*

As part of our regular reporting to you, we plan to keep you up to date with the emerging thought leadership we publish. The PricewaterhouseCoopers Public Sector Research Centre ('PSRC') 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/](http://www.psrc.pwc.com/)

### *Local State We're In 2016*

While the challenges that local government faces are no doubt still significant, the shift in feeling that has emerged in the sixth edition of our local government survey is one of a sector on the move; finding innovative new ways of working, looking for new opportunities and forming new partnerships.

However, as they look to 2020, the focus must be on ensuring they have the capacity and capability to deliver on their ambitions.

### *Beyond Control*

The past five years has seen a period of unprecedented change for local authorities in the UK. Councils have been pushed to the point where they are having to ask fundamental questions about their place in society. Communities too are undergoing rapid change, and many have begun to use digital platforms to reinforce local connections and create new opportunities for participation. As is the case with forward thinking organisations in all industry sectors, the leading local authorities are already considering how best to support and harness this capacity.

The councils that will be most successful in the future will seek to take advantage of these changes by letting go of traditional approaches to control. They will focus instead on strategies to share the responsibility of leadership. They will lead by influencing and facilitating, by devolving certain functions and by developing the digital enablers that will encourage greater community participation and resilience. Our Talking Points, Beyond control, suggests five areas where councils should focus on to harness the power of participation.

### *Good growth for cities 2015: our report on economic wellbeing in UK urban areas*

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.

This year, we've also looked at the 'Northern Powerhouse' for the first time, which can be used in the future to assess the success of the move to devolve powers from a good growth perspective.

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.



This document has been prepared only for Northampton Borough Council and solely for the purpose and on the terms agreed with Northampton Borough Council as agreed in our engagement letter dated 19 May 2016. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else. If you receive a request under freedom of information legislation to disclose any information we provided to you, you will consult with us promptly before any disclosure.

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