

REPORT FOR DECISION

MEETING: **AUDIT COMMITTEE**

DATE: **23 FEBRUARY 2010**

SUBJECT: **INTERNAL AUDIT PROGRESS REPORT**

REPORT FROM: **HEAD OF INTERNAL AUDIT**

CONTACT OFFICER: **BARRIE STROTHERS**

TYPE OF DECISION: Non key.

FREEDOM OF INFORMATION/STATUS: **NOT FOR PUBLICATION** by virtue of Paragraph 14 of Part 1 of Schedule 12(a) to the Local Government Act 1972 (exempt information relating to any action taken, or to be taken, in connection with the prevention, investigation or prosecution of crime).

SUMMARY: This is a report to update Members on the work currently being carried out by Internal Audit, as measured against the Annual Plan for 2009/10. The appendices show details of work done and audit reports issued, and any significant items are highlighted in the report.

OPTIONS & RECOMMENDED OPTION Members may accept or reject the report. It is recommended that Members accept the report which helps the Council to fulfil its statutory obligations under the Accounts and Audit Regulations 2003 (amended 2006).

IMPLICATIONS:

Corporate Aims/Policy Framework: Yes

Financial Implications and Risk Considerations:

The cost of delivering the annual plan is included in the budget for the year 2009/10. The Council is required to maintain an adequate and effective system of internal audit, in accordance with the Accounts and Audit Regulations 2003 (amended 2006), and is also required to ensure that it has a sound system of internal control, including risk management arrangements. Failure to complete this programme of work would increase the risk faced by the Council.

Statement by Director of Finance and E-Government:

The work of the Internal Audit section is an essential element of the framework by which I discharge my obligations under s151 of the Local Government Act 1972.
The costs of meeting the Internal Audit Annual Plan are within the Council budget. There are no additional costs at this time.

Equality/Diversity implications:

Internal Audit tests compliance with the Council’s policies and procedures.

Considered by Monitoring Officer:

Yes

Are there any legal implications?

No

Staffing/ICT/Property:

There are no direct resource implications arising from the report.

Wards Affected:

The work of Internal Audit impacts on all of the Council’s wards and Area Boards.

Scrutiny Interest:

None.

TRACKING/PROCESS

DIRECTOR: DoF&EG

Chief Executive/ Management Board	Executive Member/Chair	Ward Members	Partners
	✓Chair		
Scrutiny Commission	Executive	Committee	Council
		Audit 23/02/10	

1.0 BACKGROUND

- 1.1 The Internal Audit Plan for 2009/10 was approved by Committee at the meeting in February 2009 and work has been continuing throughout the year. Regular progress reports are produced, informing Members of audit activities, and this is the third report of the current financial year covering the period up to the 29th January 2010 and includes 44 completed weeks.
- 1.2 This is one of a series of reports issued throughout the year, updating Members on audit activities and measuring progress. They also enable Members to monitor the work of the Internal Audit Section, and raise any issues for further consideration, and also provide an opportunity to request further information, or to suggest areas for additional or follow up work.
- 1.3 There are four appendices to this report, each designed to show specific areas of information:
 - Appendix A shows the progress of work done against the approved plan, and explains any significant variations.

- Appendix B lists reports which were shown as outstanding at the time of the last update report (to the December 2009 meeting), and notes their progress since then.
- Appendix C covers more recently issued reports, which have entered the system since the last meeting.
- Appendix D outlines performance indicators which aim to give a guide as to the performance of the Audit Section over the first 44 weeks of the current financial year.

2.0 ISSUES

Audit Plan – Update for the current year (30th March 2009 to 29th January 2010)

- 2.1 Work on the current plan is progressing satisfactorily and the statistics provided in this report cover 11 of 13 (four weekly) operating periods, 44 weeks altogether, taking us up to 29th January 2009. These are the latest figures available at the time of going to press.
- 2.2 Appendix A is an analysis of the work completed by then, measured against the approved plan. Where it can be seen that there is a significant variation between what was expected to be achieved and what actually been achieved, an explanation is provided in each case.
- 2.3 Variations are most likely to arise when we are requested to carry out specific areas of work, often beyond what was originally planned, and often involving an investigation. Members will be aware that we have conducted or taken part in a number of investigations in recent years, and other additional tasks, carefully monitoring the situation, and assessing and re-assessing our priorities. I am satisfied that our major commitments, as identified in the plan, are being achieved.

Update of Outstanding Audit Reports

- 2.4 Appendix B contains details of reports which had not been completely finalised at the time of the previous update, and notes their progress.
- 2.5 We have received action plans that address the recommendations made in all five reports listed in this appendix.

Audit Reports issued since the last progress report

- 2.6 Appendix C gives details of reports issued since the previous update. Members may have already received copies of some of these, whilst others are still awaiting departmental replies.

Internal Audit Performance Indicators

- 2.7 A number of indicators are reproduced at Appendix D. These are intended to give an indication of quality, and are mainly considered to be satisfactory.

3.0 CONCLUSION

3.1 I feel that work on the 2009/10 plan is progressing satisfactorily, and that our main targets are being achieved.

List of Background Papers:-

Internal Audit Plan 2009/10.

Internal Audit Reports issued throughout the course of the year.

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