

By: Neeta Major – Interim Head of Internal Audit
To: Governance and Audit Committee – 25 September 2012
Subject: **Internal Audit Progress Report**
Classification: Unrestricted

Summary: This report summarises the outcomes of Internal Audit activity since the July 2012 Governance and Audit Committee.

FOR ASSURANCE

Introduction

1. This report summarises:
 - the key findings from completed Internal Audit reviews;
 - progress against, and any amendments to, the 2012/13 Internal Audit Plan since the last report to the Governance and Audit Committee;
 - achievement against Internal Audit's Key Performance Indicators; and
 - organisational progress on implementation of agreed recommendations.

Overview of Progress

2. Appendix 1 details the outcome of Internal Audit work completed, at draft report stage or in progress for July 2012 to September 2012. During this period 7 audits were finalised and 13 draft reports were issued or are in the process of being finalised.
3. Progress against the Audit Plan for 2012/13 is 33% complete at 1 September 2012 (compared to prorated target of 40%). This reflects a number of 2011/12 audits being completed in the 2012/13 financial year, the profiling of the audit plan to the latter part of the year due to major changes within auditee areas and the use of resources in the last six months to perform other work such as grant claim certification and the internal audit of parishes.
4. Progress against targets for other agreed Internal Audit Key Performance Indicators (KPIs) for the 2012/13 year are detailed within Appendix 1.
5. Progress of Directorates in the implementation of agreed recommendations arising from our audit reports shows that of 36 recommendations due in the reporting period 16 have been implemented while 20 remain outstanding; 3 of these are high priority and revised implementation dates have been agreed. Delay in implementation has been reviewed and is not considered to represent a significant risk to the Council at this time.

Implications for Governance

7. Summaries of findings from completed work have been included within Appendix 1. Audits completed in the financial year to date have not identified any significant authority wide control weaknesses, where management action has not been agreed. All audits are allocated one of five assurance levels, for which definitions are included within the attached report .

Recommendation

8. Members are asked to note:
 - progress against the 2012/13 Audit Plan and proposed additions.
 - the assurance provided in relation to the Council's control environment as a result of the outcome of Internal Audit work completed to date.

Appendices

Appendix 1 Internal Audit Progress Report September 2012

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