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By: Neeta Major – Interim Head of Internal Audit  
To: Governance and Audit Committee – 19 December 2012  
Subject: **Internal Audit Progress Report**  
Classification: Unrestricted

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

## **FOR ASSURANCE**

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### **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 September 2012 to December 2012. During this period 16 assurance/advisory reviews were finalised and 18 draft reports were issued or are in the process of being finalised. Fieldwork is in progress for a further 16 audits.
3. Progress against the Audit Plan for 2012/13 is 61% complete at 1 December 2012. This is compared to a prorated target of 60% (based on the annual target to achieve 90% of the Audit Plan). Progress against Plan has improved due to more targeted chasing of responses from auditees and a new protocol agreed by CMT to improve the process for finalising reports.
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 61 recommendations due in the reporting period 24 have been implemented. 37 recommendations have been rescheduled or are in the process of being followed up. The majority of those rescheduled relate to system enhancements or changes required that impact on the ability to deliver to original timescales; 4 of these are high priority. Delay in implementation has been reviewed and is not considered to represent a significant risk to the Council at this time.

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## **Implications for Governance**

6. Summaries of findings from completed work have been included within Appendix 1. Where audits completed in the year have identified areas for improvement management action has been agreed. All audits are allocated one of five assurance levels, for which definitions are included within the attached report.

## **Recommendation**

7. Members are asked to note:
- progress against the 2012/13 Audit Plan and proposed additions.
  - the assurances 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 December 2012***

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