

By: Neeta Major – Head of Internal Audit  
To: Governance and Audit Committee – 24 September 2013  
Subject: **Internal Audit Progress Report**  
Classification: Unrestricted

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**Summary:** This report summarises the outcomes of Internal Audit activity for the 2013/14 financial year to date.

## **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 2013/14 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 for the financial year to date. 4 assurance/advisory reviews have been finalised and 15 draft reports have been issued and are in the process of being finalised. Fieldwork is in progress for a further 18 audits.
3. Progress against the Audit Plan for 2013/14 is 28% complete at end of August 2013. This is compared to a prorated target of 29% (based on the annual target to achieve 90% of the Audit Plan). Progress against Plan is slightly below target however this reflects the usual profiling of audit activity towards the second half of the financial year. In addition a number of vacancies within the team have had some impact and we face challenges in recruiting and retaining experienced staff due to the current market.
4. Progress against targets for other agreed Internal Audit Key Performance Indicators (KPIs) for the 2013/14 year are detailed within Appendix 1.

### **Follow up of agreed recommendations**

5. Progress of Directorates in the implementation of agreed recommendations arising from our audit reports shows that of 45 recommendations due in the reporting period 22 are complete. Revised implementation dates have been agreed for all outstanding recommendations; 7 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. However we continue to

monitor implementation and will review whether escalation is appropriate should further delays occur

### **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 2013/14 Audit Plan and proposed amendments.
  - 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 September 2013***

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