

By: Bob Patterson – Head of Internal Audit  
To: Governance and Audit Committee – 3<sup>rd</sup> October 2014  
Subject: **Internal Audit Progress Report**  
Classification: Unrestricted

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**Summary:** This report summarises the outcomes of Internal Audit activity for the 2014/15 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 2014/15 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. 6 assurance/advisory reviews have been finalised and 11 draft reports have been issued or are in the process of being finalised. Fieldwork is in progress for a further 20 audits. In addition 6 audits of establishments have been undertaken.
3. Progress against the Audit Plan for 2014/15 is 33% complete at end of September 2014; this is compared to the prorated target of 36% to achieve 90% of the Audit Plan by 31<sup>st</sup> March. Progress against Plan is therefore slightly below target but is ahead against the same reporting period in 2013/14 (28%) and on track to deliver 90% by year-end.
4. Progress against targets for other agreed Internal Audit Key Performance Indicators (KPIs) for the 2014/15 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from our audit reports shows that of 85 recommendations due in the reporting period 36 are complete or have been superseded. Revised implementation dates have or are being agreed for all outstanding recommendations; 8 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 to 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 2014/15 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 October 2014***

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