

REPORT TO THE FINAL ACCOUNTS AND AUDIT COMMITTEE		Report No. 7
Date of Meeting	24/11/2008	
Title of Report	Internal Audit Progress Report	
Link to Corporate Priorities	No links to corporate priorities.	
Public Report	Yes	

<p>Summary of Report</p> <p>To update the Final Accounts and Audit Committee on progress against the 2008/2009 Internal Audit Plan.</p>
<p>Officer Recommendations</p> <p>1. That the update is noted.</p>

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.				
Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
None	None	None	None	None

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1. Introduction

- 1.1 This report details progress made by Internal Audit against the approved 2008/2009 Internal Audit plan

2. Options and Options Appraisal

- 2.1 Option 1: The report be noted.
- 2.2 Option 2: That a different course of action be considered.

3. Background Information

- 3.1 The Final Accounts and Audit Committee approved the Internal Audit Plan for 2008/2009 at its meeting on 16 April 2007. This plan was updated and reported to this committee on 28 January 2008 and it is progress made against this plan which is reported here.
- 3.2 All outstanding audits from quarter 2 of the 2008/9 audit plan have now been completed and issued in final form. A summary of audit work undertaken to date is shown in Table 1.
- 3.3 The Auditor has had 8 days of non audit work in the period from the 25th September to 24th November 2008. 2 of these days were used to carry on the work started by the Wiltshire County Audit Group (WCAG) which aims to build a strong audit team in readiness for the new Unitary. The auditor has also attended a FMSIS schools audit at St Sampson's School in Cricklade. The aim of this was to work with one of the County's audit team and to learn how to carry out a financial audit on a school, as this will form part of the Auditor's new role in the Unitary.
- 3.4 The additional resources made available to the Auditor from the Finance Team are being utilised in order to complete a review of all assets within the Council. Work is ongoing to identify all of the I.T equipment and all of the plant and machinery owned. Two members of the Finance Team expressed an interest in the task and this will enable skills to be shared and experience to be gained of internal audit work and to provide for professional development for the Finance Officers.
- 3.5 The Council has a requirement to supply information to the Audit Commission for use in the National Fraud Initiative (NFI). The data is used to complete a data matching exercise with information obtained from other government bodies. The information had to be produced on the 6th October 2008 and submitted to the Audit Commission in the correct format. This was achieved by the Auditor in the specified timeframe. When the results arrive at the end of January 2009 various Teams will have to look into the matches identified and provide an explanation online to the Audit Commission.

Table 1: Summary of Audit Work so far during quarter three 2008/09

Audit Work Area	Q3 Budget (Days)	Q2 Actual (Days)	Status
Asset Management	10	11	Ongoing
Cash Collection and Banking	5	3	Complete (Draft)
Building Control	5	0	Awaiting start date
NFI	2	10	Completed

Council Tax	5	0	Commence Dec08
NNDR	5	0	Commence Dec08
Training Courses		5	
Leave and non-audit time		3	
Total days	32	32	

4. Audit Reports 2008/9

- 4.1 Table 2 below lists audits completed since the previous report to the Committee, and the opinions given for each system. Should further information be required on any of the audits undertaken it can be requested from the Head of Finance & Resources.

Table 2: Summary of Opinion and Findings

Audit	Opinion	Comments
Contract Monitoring	Limited (4)	Report now complete and has been issued in Final form. There are fundamental control weaknesses. To be discussed at Final Accounts and Audit Committee.
Asset Management	Good (2)	Ongoing. Part of the Fixed Asset audit. Currently no major concern.
Depot	Not yet given	Draft currently being completed for consultation with management.

- 4.2 The Internal Audit Report for Contract Monitoring has been issued in final form after receiving management comments. The report has been given a **Limited (4)** control assurance rating, and a copy of the report is in Appendix 1. It was agreed that the committee should receive full copies of any audit reports that have a rating of Limited or below.
- 4.3 Following on from the issues identified in the Contract Monitoring Audit Report and some concerns identified in the Depot Audit the Chief Accountant and the Auditor are setting up a meeting with Officers from Wiltshire County Council to discuss how the issues can be addressed in the new Unitary Council. The results of this meeting will be given to the Committee at the next meeting. It is suggested that the Audit Report be noted until this meeting has taken place and no further action be taken unless assurance is not obtained from the County Council.

Appendices:	<ul style="list-style-type: none"> • 1. Contracts Monitoring Final Audit Report
Background Documents Used in the Preparation of this Report	<ul style="list-style-type: none"> • None

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
Internal Audit Progress Report	Final Accounts and Audit Committee 25 th September 2008	