

REPORT TO THE FINAL ACCOUNTS AND AUDIT COMMITTEE		Report No. 11
Date of Meeting	7 April 2008	
Title of Report	Internal Audit Progress Report	
Link to Corporate Priorities	No links to corporate priorities, however links to corporate aims: 2. To ensure high quality, cost effective services. 4. To safeguard and enhance the assets and resources of North Wiltshire and the wider community.	
Public Report	Yes	

<p>Summary of Report</p> <p>To update the Final Accounts and Audit Committee on progress against the 2007/2008 Internal Audit Plan.</p>
<p>Officer Recommendations</p> <p>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 2007/2008 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 2007/2008 – 2009/10 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 The former auditor has now returned to the Council at the beginning of February, whilst the interim Internal Audit Manager left on 25 January. Since that time he has reviewed the outstanding work in progress and identified what areas needed to be completed.
- 3.3 Following a discussion with the Audit Commission it was decided to initially concentrate on completing the audits where the testing carried out by Internal Audit could be relied upon by the External Auditors and therefore cut down on the time required for them to complete the testing. The audits identified were Council Tax, NDR and Creditors as these require extensive samples to be tested.
- 3.4 A summary of audit work undertaken to date is shown in Table 1 below. The budgets for the fourth quarter were agreed as part of the audit plan submitted in January. However, in order to achieve the necessary coverage across all the main systems, the scope of the audits has been curtailed. This has been done following a careful review of previous audit working papers, and an assessment of the risks identified within each.
- 3.5 As reported at the last meeting 7 audits remained outstanding at the end of January 2008, of these 4 have been completed, 1 has been moved into next year (Main Accounting System as reported at the last meeting) and 2 are in progress and will be completed by the middle of April 2008.

Table 1: Summary of Audit Work Quarter Four 2007/08

Audit Work Area	Q4 Budget (Days)	Q4 Actual (Days)	Status
Council Tax	20	12	Complete
Creditors	15	5.5	Complete
Non-Domestic Rates	15	8	Complete
Grants	15	4	Complete
Cash Collection and Banking		2	In-progress
Initial Review of Working Papers		3	Complete
Leave and non-audit time		6.5	
Total		41	

4. Audit Reports 2007- 08

- 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
Council Tax	Good (2)	Testing complete with only minor errors found.
Non-Domestic Rates	Good (2)	Testing complete with only minor errors found.
Creditors	Good (2)	High standard reached. Good progress made on previous audit recommendations
Cash collection and banking	In progress	Completion by mid April 2008
Grants	In progress	Completion by mid April 2008
Review of Working Papers	N/A	Initial review taken place on return to Council.

- 4.2 The Council's external auditors review the work of internal audit to see what reliance they can place upon the main operational systems. The external auditors have reviewed the work done internally and have supplemented this with some limited testing of their own. Walk through testing has also been carried out on the non-domestic rates system in support of the audit work being undertaken by our external auditors.

Appendices:	<ul style="list-style-type: none">• None
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
Draft Internal Audit Plan	Final Accounts and Audit Committee 28 Jan 2008	FA53