

AUDIT COMMITTEE

23rd March 2011

INTERNAL AUDIT PROGRESS REPORT 2010-11

Purpose of the Report

1. To present the latest Internal Audit Progress Report for 2010-11 to the Audit Committee, in order to bring members up to date on the following;
 - An overview of the actual position reached at 28 February 2011, in delivering the originally agreed Audit Plan for 2010-11, and the factors which have brought about the variation
 - A projection of the year-end outturn, and the resultant adjustments we have made to the original Audit Plan
 - Developments with regard to the future provision of the Council's internal audit service
 - A summary of the outcomes of audits completed during the period
 - The results and outcomes of follow-up reviews carried out during the period, to assess the extent and adequacy of management action taken in response to previous audit reports
 - Brief details of other work undertaken during the period.

Background

2. A key requirement of the Code of Practice for Internal Audit in Local Government is that Internal Audit should report progress periodically to those charged with governance. The Audit Committee has within its terms of reference the responsibility for receiving regular progress reports from Internal Audit on the delivery of the Internal Audit Plan. The latest Progress Report for 2010-11 is attached as the Appendix to this report.

Main Consideration

3. The main consideration is to note the content of the latest Internal Audit Progress Report for 2010-11 (attached as the Appendix), specifically:

- The summary of the outcomes of audits completed, and details of other work undertaken during the year to date
- That actual productive audit days have fallen short of the target by 110 days up to 28 February 2011, and that the shortfall is expected to increase to around 150 days by the end of the year at 31 March 2011, owing to several factors referred to in the report
- That the Audit Plan has been revised to take account of the shortfall, and that some work has been carried forward to 2011-12, and some reduced priority work removed, so as to keep the plan robust
- That options for the future delivery of the internal audit service are currently being considered, and that progress will be reported to the next meeting of the Audit Committee in May 2011
- That follow-up work carried out during the period supports an overall conclusion that management has responded constructively, and is taking appropriate action to manage the risks identified. Several actions are of an ongoing nature, and progress is generally in line with expectations.

Environmental Impact of the Proposal

4. No environmental impact arises from issues raised in this report.

Financial Implications

5. There are no additional costs arising from this proposal.

Reasons for the Proposal

6. To present the latest Internal Audit Progress Report for 2010-11 to the Audit Committee, in order to bring members up to date on the following;
 - An overview of the actual position reached at 28 February 2011, in delivering the originally agreed Audit Plan for 2010-11, and the factors which have brought about the variation
 - A projection of the year-end outturn, and the resultant adjustments we have made to the original Audit Plan.
 - Developments with regard to the future provision of the Council's internal audit service.
 - A summary of the outcomes of audits completed during the period
 - The results and outcomes of follow-up reviews carried out during the period, to assess the extent and adequacy of management action taken in response to previous audit reports
 - Brief details of other work undertaken during the period.

Proposal

7. The Audit Committee is asked to note the content of the latest Internal Audit Progress Report for 2010-11 (attached as the Appendix), specifically:
- The summary of the outcomes of audits completed, and details of other work undertaken during the year to date
 - That actual productive audit days have fallen short of the target by 110 days up to 28 February 2011, and that the shortfall is expected to increase to around 150 days by the end of the year at 31 March 2011, owing to several factors referred to in the report
 - That the Audit Plan has been revised to take account of the shortfall, and that some work has been carried forward to 2011-12, and some reduced priority work removed, so as to keep the plan robust
 - That options for the future delivery of the internal audit service are currently being considered, and that progress will be reported to the next meeting of the Audit Committee in May 2011
 - That follow-up work carried out during the period supports an overall conclusion that management has responded constructively, and is taking appropriate action to manage the risks identified. Several actions are of an ongoing nature, and progress is generally in line with expectations.

Michael Hudson

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Unpublished documents relied upon in the preparation of this Report: None