

Internal Audit

Progress Report 2010-11

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INTERNAL AUDIT PROGRESS REPORT

Introduction and Background

1. This first progress report of 2010-11 presents members of the Audit Committee with the results and outcomes of work done during the first quarter of the year, to review the extent and adequacy of management action taken in response to audit reports from 2009-10. It also draws to members' attention a recent consultation document from CIPFA on the role of the Head of Internal Audit in public service organisations.
2. Each audit report includes a plan of actions which management has agreed to take in order to address risks identified from the audit. Management therefore has a responsibility for ensuring that agreed actions are subsequently implemented. An important part of our responsibility as Internal Audit is then to obtain assurances that agreed actions have been implemented, particularly those where risks are high.
3. The Audit Committee has within its terms of reference the responsibility to monitor the implementation of agreed management actions arising from Internal Audit's work, and at its meeting in March 2010 the Committee asked for more detailed assurances to be brought to future meetings with regard to specific management actions taken. This is the first such report in response to that request.

Implementation of Agreed Management Actions

4. A full schedule of the audits we have followed-up during the period, incorporating specific risks and management actions implemented, is attached as an appendix to this report. A summary of the overall position on management actions is set out in the following table:

Audited Activity	No of High Risks Reported	Position on Management Actions
Council Tax	3	All actions fully implemented
National Non-Domestic Rates	1	Action fully implemented

Audited Activity	No of High Risks Reported	Position on Management Actions
Car Parking	5	1 action fully implemented 1 action partially implemented 2 actions outstanding 1 action not yet due
Care Connect	1	Action fully implemented
West Wilts Housing PFI	4	All actions ongoing and subject to regular review (through Internal Audit involvement on PFI project Board)
Private Sector Housing Services	4	3 actions fully implemented 1 action ongoing
Children's Centres	2	Both actions fully implemented
Care First system in DCS	3	2 actions fully implemented 1 action partially implemented

Conclusion

5. Our follow-up work carried out to date leads us to the overall conclusion that management is responding properly to audit reports in the main, and is taking appropriate action to manage the risks identified. Of the audits followed up during this period, only car parking has risks where agreed management action is still outstanding, and which in our view therefore remain high risks.
6. We will continue to report further follow-up work and the position on agreed management actions as part of each quarterly progress report to the Audit Committee.

The Role of the Head of Internal Audit – CIPFA Draft Statement

7. CIPFA has recently published a consultation document on the Role of the Head of Internal Audit (HIA) in Public Service Organisations. CIPFA believes that the HIA occupies a critical position, helping to achieve an organisation's key objectives by giving assurance on internal control arrangements and playing an essential role in promoting good corporate governance.

8. The focus of the draft document is to clarify the role of the HIA in public service organisations, raising the profile of the role and setting out some core principles for successful implementation. The aim is that regulators across public services should use the document when reviewing their own arrangements. CIPFA is therefore looking to promote active discussion amongst stakeholders such as Audit Committees, and with this in mind, a copy of the consultation document has been circulated to all members of the Audit Committee.
