

**Meeting: AUDIT COMMITTEE**

Agenda Item:

**Date: 10 June 2008**

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## **INTERNAL AUDIT PROGRESS REPORT**

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### **1. PURPOSE**

- 1.1 The purpose of this quarterly report is for the Audit Committee to receive and consider progress against the 2007-08 and 2008-09 Internal Audit Plans during the period 1 March to 30 May 2008.

### **2. RECOMMENDATION**

The Internal Audit quarterly report as at 30 May 2008 to be noted.

### **3. BACKGROUND**

- 3.1 The Audit Committee receive an Annual Internal Audit Report from the Audit Manager and the Audit Commission's Audit Opinion as part of the Council's annual governance report. This is supplemented by quarterly updates, the most recent of which was brought to this Committee on 17 March 2008.
- 3.2 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit function is fulfilling its statutory obligations. It is considered good practice that the quarterly progress report also includes proposed amendments to the agreed annual audit plan.

### **4. CONSIDERATIONS**

#### **Progress against the 2007-08 and 2008/09 Audit Plans**

- 4.1 Since the previous audit committee the 2007-08 audit plan has been completed with seven audits being carried forward into the 2008-09 audit plan. Progress against the Internal Audit Plan for 2008-09 plan is attached, see Appendix A.

The following final reports have been issued in the quarter:

- Information Management Follow Up (Appendix B)
- Cash and Payments (Appendix C)
- Payroll (Appendix D)
- Council Tax (Appendix E)
- Creditors (Appendix F)
- Human Resources (Appendix G)
- Business Rates (Appendix H)
- Housing and Council Tax Benefits (Appendix I)
- Sundry Debtors (Appendix J)
- Main Accounting System (Appendix K)

The Insurance audit report has been issued in draft and will be finalised on receipt of the management response. Internal Audit work has commenced on six other audits.

14% of the 2008-09 audit plan has been delivered.

### **Proposed amendments to the 2008/09 Audit Plan**

- 4.2 The audit days for individual audits have been rounded to the nearest half day, this has had no impact on the total days in the audit plan.

The audit budgets relating to Current Contracts and Financial Appraisals have been reduced by 15 days in total. These 15 days are being proposed to be incorporated into the Stevenage Homes audit plan to accurately reflect the split in time spend on these audits for each organisation.

### **Staffing**

- 4.3 The new Chief Internal Auditor, Gursh Bains, took post on 1 May 2008.

During the quarter two experienced temporary members of staff were employed to assist in the completion of the 2007-08 audit plan. A virement has been made from the existing 2008-09 general fund budget to fund the additional resources.

The Deputy Audit Manager left the employment of the Council on 23 May 2008. The recruitment process has commenced to employ a replacement and the Audit Committee will be kept informed of the progress.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 This report is financial in nature and consequently financial implications are included in the body of the report.

### **5.2 Other Implications**

There are no other implications.

## **BACKGROUND DOCUMENTS**

None

## **APPENDICES**

- Appendix A - Progress Against the 2008-09 Audit Plan as at 30 May 2008
- Appendix B - Information Management Follow Up Report
- Appendix C - Cash and Payments Final Report
- Appendix D - Payroll Final Report
- Appendix E - Council Tax Final Report
- Appendix F - Creditors Final Report
- Appendix G - Human Resources Final Report
- Appendix H - Business Rates Final Report
- Appendix I - Housing and Council Tax Benefits Final Report
- Appendix J - Debtors Final Report
- Appendix K - Main Accounting System Final Report