

Meeting: AUDIT COMMITTEE

Agenda Item:

Date: 17 March 2009

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INTERNAL AUDIT PROGRESS REPORT

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1. PURPOSE

- 1.1 The purpose of this report is for the Audit Committee to receive and consider progress against the 2008-09 Internal Audit Plan during the period 1 January 2009 to 28 February 2009.

2. RECOMMENDATION

- 2.1 The Internal Audit progress report as at 28 February 2009 be noted.

3. BACKGROUND

- 3.1 The Audit Committee receive periodic progress updates against the Annual Internal Audit Plan, the most recent of which was brought to this Committee on 12 January 2009.
- 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 progress reports also includes proposed amendments to the agreed annual audit plan.

4. CONSIDERATIONS

Progress against the 2008/09 Audit Plan

- 4.1 Progress against the Internal Audit Plan for 2008-09 plan is attached, see Appendix A. The following reports and assignments have been issued or completed in the period:

- Best Value Performance Indicators Annual Report (Appendix C)

- Grant Funding (Appendix D)
- Human Resources Follow Up
- Information Management Follow Up
- Compliance with the Audit Code of Practice
- Regeneration Grant Claim certification
- National Fraud Initiative data matches received from Audit Commission and a plan has been developed to investigate and monitor completion
- 19 sets of Probity checks on interim contract payments
- Five Financial Appraisals
- Ad hoc advice was provided on four occasions, which included advice on controlled stationery and copy invoices

4.2 As at 28 February 2008, 76% of the 2008-09 audit plan has been delivered (excludes days deferred or planned for April 2009, audits to be resourced by external IT provider and unused contingency). Internal Audit are still on course to deliver the key financial systems audits by the 31 March 2009.

4.3 The Audit Committee requested at its meeting on 12th January 2009 that audits that exceed their budgeted time allocation by more than 100% should be reported to them. One audit activity has overrun by more than 100% in this period, Regeneration Grant Claim. The budgeted time allocation for this audit activity is two days per claim. The claim in this period took four and a half days to certify. This was primarily due to a new officer compiling the claim who had limited involvement in the project, as a result the claim was required to be revised and additional support was provided to the officer compiling the claim.

4.4 The measures outlined previously to the Audit Committee to improve Internal Audit delivery rates have had success, however the delivery rates in the period have been affected by lost time due to an increase in sickness levels. It is anticipated that delivery rates need to further improve and the measures will continue to be in place until the desired levels of performance are achieved.

Proposed amendments to the 2008/09 Audit Plan

4.5 No amendments to the 2008/09 Audit Plan are proposed for Audit Committee approval in this period.

High priority recommendations

4.6 It was agreed at the previous Audit Committee that future Internal Audit progress update reports would include the high priority recommendations and their implementation status. Appendix B details five high priority recommendations that have been formally agreed with Council officers and the implementation dates are April 2009 onwards. Members will be updated at future Audit Committee.

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 Legal Implications

5.2.1 None identified at this time.

BACKGROUND DOCUMENTS

None

APPENDICES

Appendix A - Progress against the 2008-09 Audit Plan as at 28 February 2009

Appendix B - High Priority Recommendations

Appendix C - Best Value Performance Indicators Annual Report

Appendix D - Grant Funding Final Report