

INTERNAL AUDIT PROGRESS REPORT – QUARTER 1

Performance and Governance Committee – 18 September 2012

Report of the: Director of Corporate Resources

Status: For Decision

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Head of Service Group Manager, Financial Services – Adrian Rowbotham

Recommendation: That this Committee notes the content of the report and the progress made by the audit team in delivering the 2012/13 Annual Internal Audit Plan.

Introduction

1. This report summarises the progress of the team in delivering the Annual Internal Audit Plan 2012/13 and the audits issued during the year to date.

Summary of Issues Within the Report:

2. A summary of progress made towards achieving the assurance requirement is attached as Appendix A to this report. Appendix B provides a brief summary of each final audit reports issued since the last meeting of the committee. Appendix C sets out the descriptions of the audit opinion for audit reviews.
3. The details on Appendix A set out progress to date against each audit in the Annual Internal Audit Plan for 2012/13, approved by the Performance and Governance Committee on 13 March 2012. Members may note that eight reviews have commenced since the start of the year, with three reviews having been finalised. Three of the remaining five reviews commenced are due to be finalised shortly. Thus 32% of planned reviews have commenced since April 2012. No significant control issues were identified within reports finalised to date.

Staffing

4. The team commenced the year with a full staffing complement and are working well towards delivering the annual audit plan, which is expected to be delivered within existing resources.

Partnership Arrangements

5. The partnership agreement with Dartford Council for the provision of Internal Audit and Anti-Fraud services is operating well at present. However, discussions are still on-going regarding the most effective way to take risk management forward within the shared service framework. A meeting with Dartford Management Team is

planned for later this month. This committee would be update on progress in due course.

Key Implications

Financial

6. This report has no financial implications.

Community Impact and Outcomes

7. Not applicable.

Legal, Human Rights etc.

8. This report has no additional legal implications save those relating to the Data Protection and Freedom of Information Acts.

Resource (non-financial)

9. There are no additional resource requirements impacting on this report.

Equality

10. There are no additional equality implications for this report.

Sustainability Checklist

11. Not applicable

Value for Money

12. There is no value for money implication.

Conclusions

13. The Committee is requested to adopt the recommendation set out above.

Risk Assessment Statement

14. The main risks identified are failure to achieve the assurance requirements for the current financial year through inadequate resource or quality of work performed and also the risk of the partnership with Dartford not succeeding. Failure to achieve the requirements may expose the Council to unforeseen risks, including adverse comments from the Council's external auditors or inspectors. Failure to make the partnership with Dartford succeed may have financial consequences at a time of financial uncertainties. It is management's view that the identified risks are being effectively managed and appropriate steps have been taken, or are being taken to address any relevant issues identified that may impact on performance regarding the delivery of the Annual Internal Audit Plan, or the success of the partnership with Dartford.

Sources of Information:

Internal Audit Annual Plan for 2012/13

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