

PERFORMANCE AND GOVERNANCE COMMITTEE – 8 JANUARY 2013

Internal Audit Progress Report – Quarter 2

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

Recommendations:

That this Committee note the contents of the report and the progress made by the audit team in delivering the 2012/13 Annual Internal Audit Plan

Introduction

- 1 This report provides details of the progress of the Internal Audit Team in delivering the Annual Internal Audit Plan 2012/13 and outcomes of final reports issued since the meeting of the committee in September 2012.

Summary of Issues in 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 September meeting of the committee. Appendix C sets out the descriptions of the audit opinions for audit reviews.
- 3 Appendix A sets out progress to end of November 2012 against each audit in the Annual Internal Audit Plan for 2012/13, approved by the Performance and Governance Committee on 30 March 2012. Members may note that seven planned reviews have been finalised to date, with a further nine work in progress. Thus a total of 16 reviews have either been completed or have commenced from this year's annual plan. This is equivalent to 64% of the original plan and 69% of the revised plan (see paragraph 4 below). The remaining reviews within the plan have been booked to commence in the fourth quarter.

Revisions to the Internal Audit Plan 2012/13

- 4 Members are requested to agree deferrals to the original audit plan in respect of the following two reviews, Review of Housing and Review of Sale of Assets. These items relates to numbers, 10 and 17 on the attached Appendix A. These deferrals are proposed in view of on-going changes within the Housing team. In respect of Sale of assets, this review may no longer be necessary as the anticipated changes are no longer taking place. However, it is not anticipated that the delay in conducting these reviews will impose undue risk to the Council. Hence the deferment of these reviews will

not have any significant impact on Internal Audit ability to provide satisfactory assurance for the Council in 2012/13.

Internal Audit Resources

- 5 The joint Audit, Risk and Anti-fraud Team have continued to work productively this year towards achieving service objectives and have made satisfactory progress in delivering an effective service for both Dartford Borough Council and Sevenoaks District Council. However, the Admin Assistant servicing both teams has been on long term sickness since August 2012. This has impacted on the team's resources, as professional staff has been diverted from their main tasks, in order to assist with progressing necessary admin tasks. This has had some impact on performance. So far we have continued to manage the service within existing resources. However, we will look to employ a temporary agency staff in the New Year, if necessary, to ensure adequate admin cover in the short term.

Key Implications

Financial

- 7 This report has no additional financial implications.

Community Impact and Outcomes

- 8 Not applicable.

Legal, Human Rights etc.

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

Resource (non-financial)

- 10 There are no additional resource requirements impacting on this report.

Equality

- 11 There are no additional equality implications for this report.

Sustainability Checklist

- 12 Not applicable

Value for Money

- 13 There is no value for money implication.

Conclusions

- 14 The Committee is requested to adopt the recommendations set out above.

Risk Assessment Statement

15 There is a risk that due to lost staff time, resources may not be adequate to complete the audit plan this year. Thus external resources may be bought in if required.

Sources of Information: Internal Audit Annual Plan for 2012/13

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