



## AUDIT COMMITTEE REPORT

<b>Report Title</b>	Internal audit progress report
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**AGENDA STATUS: PUBLIC**

<b>Audit Committee Meeting Date:</b>	27 May 2008
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Governance and Improvement
<b>Accountable Cabinet Member:</b>	Malcolm Mildren

### 1. Purpose

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1.1 To provide the Audit Committee with a report summarising progress made against the approved internal audit plan.

### 2. Recommendations

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2.1 Receive the report

### 3. Issues and Choices

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#### 3.1 Report Background

##### 3.1.1 Introduction

The report is produced to inform the Committee on internal audit activity in the current year up to the date of the Committee meeting. The report will give an update on reports issued and recommendations made as well as highlighting any issues that are considered appropriate to bring to the attention of the Committee. The report will be supported by our annual internal audit report.

##### 3.1.2 Plan Outturn

We have undertaken work in accordance with the 2007/08 Internal Audit Plan which was presented to and approved by the Audit Committee at their meeting in February 2007.

An outturn statement detailing assignments undertaken and actual activity for the year is shown in Appendix One. This shows that we have now completed all fieldwork. Reports have been issued in both draft and final form and details are provided in section 2.

We have also commenced the 2008/09 audit plan.

### 3.1.3 Reporting and activity progress

#### Final reports issued

**07/08 NBC 08 Creditors** – The level of assurance given relates to the Creditors System as a whole, including the main finance system of Agresso and the Uniclass system in operation at the Westbridge depot. It is important to note that the control weaknesses identified with Uniclass and level of non-compliance at the Westbridge depot are a significant factor in the level of assurance given. **Limited level of assurance** has been given.

**07/08 NBC 11 Housing benefits** – As with the previous year, we have given a **Limited level of assurance** although we have recognised that there have been some improvements.

#### 1.1. Draft reports

We have issued the following reports in draft format and are currently awaiting management responses:-

**07/08 NBC 10 Payroll**

**07/08 NBC 12 Bank reconciliations**

**07/08 NBC 13 Planning applications**

**07/08 NBC 14 Electrical services overtime**

**07/08 NBC 15 Fixed assets**

**07/08 NBC 16 Housing rents**

**07/08 NBC 17 Savings and efficiency programme**

**07/08 NBC 18 Health and Safety**

**07/08 NBC 19 Budgetary control**

**07/08 NBC 20 Management accounts reporting process**

#### 1.2. Fieldwork completed

Work has now been completed for all remaining internal audit reviews with draft reports about to be issued.

**07/08 NBC 21 Housing system implementation**

**07/08 NBC 22 Capital voids**

**07/08 NBC 23 Contracts and legal services**

**07/08 NBC 24 Communications and citizens engagement follow-up**

#### Other work performed

**Internal Audit annual report 2007/08** – The draft annual report is to be presented at this meeting.

**Internal audit programme 2008/09** – Work has now commenced on the 08/09 programme with a review of the corporate risk register. We had planned to have a launch of the Plan at the Corporate Briefing on 27 April but this was cancelled. As such the plan is now being launched on 27 May Corporate Briefing at which we will highlight timings of reviews and who will be undertaking them.

#### 3.1.4 Other issues

##### **TeamCentral – recommendation tracking**

All prior year issues and 07/08 final reports are now loaded onto this. Formal Training is to be given to Corporate Managers at the next Corporate Briefing on the 28 May. Some 1-1 training has been provided already as well as providing support with general problems. We have also despatched chasing emails in January, March and May. Where possible we have also closed recommendations that have been implemented or are no longer applicable. We have also produced a summary report using data held on TeamCentral that allocates responsibility to Corporate Managers by specific review. This is now being used as part of the Quality Review meetings.

In view of the additional training that is required, the presentation of a TeamCentral report to the Audit Committee will be deferred to the next meeting

##### **Internal audit self-assessment**

We have agreed with management that we will conduct our annual self-assessment exercise during June 2008 and report back to the next audit committee meeting.

### **3.2 Issues**

3.2.1 As detailed in the report

### **3.3 Choices (Options)**

3.3.1 N/a

## **4. Implications (including financial implications)**

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### **4.1 Policy**

4.1.1 No implications other than enabling monitoring of internal audit reporting performance.

### **4.2 Resources and Risk**

4.2.1 Risks may be highlighted as a result of audit issues being reported.

### **4.3 Legal**

4.3.1 N/a

### **4.4 Equality**

4.4.1 N/a

### **4.5 Consultees (Internal and External)**

4.5.1 Director of Finance and Head of Finance

### **4.6 Other Implications**

4.6.1 N/a

## **5. Background Papers**

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5.1 Appendices to the report

- Appendix 1 - Progress against approved plan
- Appendix 2 – Summary of recommendations made
- Appendix 3 – Draft Internal Audit annual report 2008/09

5.2 Individual internal audit reports are available if required.

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