

**Committee:** Performance Select Committee

**Agenda Item**

**Date:** 21 September 2010

**10**

**Title:** Internal Audit Progress Report  
(16 July 2010 to 05 September 2010)

**Author:** Sheila Bronson, Audit Manager, 01799  
510610

Item for  
Information

---

## Summary

- 1 To report to the Performance Select Committee details of work undertaken by Internal Audit since the last report to this Committee on 27 July 2010 and to provide an update on implemented and outstanding internal audit recommendations.

## Recommendations

That the Internal Audit Progress Report (16 July 2010 to 05 September 2010) be noted

## Background Papers

Internal Audit Work Plan 2010/11

## Impact

|                                  |  |
|----------------------------------|--|
| Communication/Consultation       | The Internal Audit Work Plan 2010/11 referred to in this report has been circulated to Members |
| Community Safety                 | none   |
| Equalities                       | none   |
| Finance                          | none   |
| Health & Safety                  | none   |
| Legal implications/ Human Rights | none   |
| Sustainability                   | none   |
| Ward-specific impacts            | none   |

|                     |      |
|---------------------|------|
| Workforce/Workplace | none |
|---------------------|------|

## Situation

- 2 The purpose of this report is to provide to management and members:-
- i) Details of the work completed by Internal Audit since the last report to the Committee;
  - ii) A summary of the risk level 3 and 4 highest priority recommendations made and agreed;
  - iii) Performance against the 2010/11 audit plan;
  - iv) Details of risk level 3 and 4 highest priority recommendations not implemented within the agreed timescale;
  - v) Details of risk level 1 and 2 lower priority recommendations not implemented within the agreed timescale.

## Work Undertaken by Internal Audit 16 July 2010 to 05 September 2010

- 3 Since the last report to the Committee:
- (i) 3 audits from the 2010/11 audit plan have been completed and Final Reports issued with a total of 5 recommendations made.  
  
All final audit reports issued have been copied to Performance Select Committee members. An overall summary of final reports issued together with an analysis of agreed recommendations is presented at Appendix A.
  - (ii) There are 2 risk level 4 or 3 highest priority recommendations arising from the final reports, details of these are presented at Appendix A.
  - (iii) Between 16 July 2010 to 05 September 2010, 5 further audits from the 2010/11 plan have been completed to draft report stage.

## Audit Plan 2010/11 Review

- 4 Appendix A also provides details of overall performance against the audit plan to date. As of 05 September 2010, Internal Audit year to date work against the audit plan is:
- 17 out of 31 Audits commenced (55%)
  - 8 out of 31 Audits completed to draft report stage (26%)
  - 3 out of 31 Audits completed and Final Reports Issued (10%)

### Recommendations Implemented 16 July 2010 to 05 September 2010

- 5 There are 4 risk level 3 and 4 highest priority recommendations which have been implemented; a summary is presented at Appendix B.

### Recommendations Not Implemented by due date at 05 September 2010

- 6 There are 2 previously agreed risk level 3 and 4 highest priority recommendations not implemented in accordance with their agreed due date, a summary is presented at Appendix B.
- 7 There is 1 previously agreed risk level 1 and 2 lower priority recommendations not implemented in accordance with their agreed due date, a summary is presented at Appendix B.

### Risk Analysis

| Risk  | Likelihood  | Impact   | Mitigating actions  |
|---|---|--|---|
| The issues highlighted in the internal audit reports are not acted upon | 1 Action is already being taken towards the implementation of the recommendations contained in the reports. | 2 There would be varying levels of impact from non-implementation of recommendations given the significance of the control risks identified. | Internal audit reports are followed up to ensure compliance.<br><br>There are escalation procedures in the event of non compliance. |

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.