Committee:	**PERFORMANCE & AUDIT COMMITTEE**	Agenda Item
Date:	**18 August 2011**	**4**
Title:	**Internal Audit Progress Report,**	
	11 June 2011 to 05 August 2011	
Author:	**Sheila Bronson, Internal Audit Manager 01799 510610**	Item for Information

Summary

1. To report to the Performance & Audit Committee details of work undertaken by Internal Audit since the last report to the Performance Select Committee on 01 February and to provide an update on implemented and outstanding internal audit recommendations.

Recommendations

2. That the Internal Audit Progress Report (11 June 2011 to 05 August 2011) be noted

Financial Implications

3. None. There are no costs associated with the recommendations.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

   The Internal Audit Programme 2011/12

Impact

5.

Communication/Consultation	The Internal Audit Work Programme 2011/12 referred to in this report has been has been approved by Strategic Management and endorsed by the Performance Select Committee at its February 2011 meeting
Community Safety	none
Equalities	none
Health and Safety	none

Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. The purpose of this report is to provide management and members with:
    i)   Details of the work completed by Internal Audit since the last report to the Members of the Performance and Audit Committee at its meeting 23 June 2011;
    ii) A summary of the risk level 3 and 4 highest priority recommendations made and agreed;
    iii) Performance against the Internal Audit Work Programme 2011/12;
    iv) Details of any risk level 3 and 4 highest priority recommendations not implemented within the agreed timescale;
    v)   Details of any risk level 1 and 2 lower priority recommendations not implemented within the agreed timescale.

Work Undertaken by Internal Audit 11 June 2011 to 05 August 2011

7. Since the last report to the Committee:
    i)   2 audits from the 2011/12 audit programme have been completed and Final Reports issued with a total of 4 recommendations made. All final audit reports issued have been copied to Performance and Audit Committee members. An overall summary of final reports issued together with an analysis of agreed recommendations is presented at Appendix A;
    ii) There is 1 risk level 4 or 3 highest priority recommendation arising from the final reports, details of this are presented at Appendix A;
    iii) Between 11 June 2011 to 05 August 2011, 2 further audits from the 2011/12 audit programme have been completed to draft report stage.

Audit Work Programme 2011/12 Review

8. As of 05 August 2011, Internal Audit year to date work against the audit programme is:
    i)   8 out of 30 Audits commenced (27 %)
    ii) 5 out of 30 Audits completed to draft report stage (17 %)
    iii) 2 out of 30 Audits completed and Final Reports Issued (7%)

Recommendations Implemented 11 June 2011 to 05 August 2011

9. There is 1 risk level 3 highest priority recommendation which has been implemented; a summary is presented at Appendix B

Recommendations Not Implemented by due date at 05 August 2011

10. There is 1 previously agreed risk level 3 highest priority recommendation not implemented in accordance with its agreed due date, a summary is presented at Appendix B

11. All risk level 1 or 2 lower priority recommendations have been implemented in accordance with their agreed due date

Risk Analysis

12.

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.

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.