

**Committee: PERFORMANCE & AUDIT COMMITTEE**

**Agenda Item**

**Date: 16 May 2013**

**7**

**Title: Internal Audit Progress Report,  
26 January to 30 April 2013**

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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 12 February 2013 and to provide an update on implemented and outstanding internal audit recommendations.

## **Recommendations**

2. That the Internal Audit Progress Report (26 January to 30 April 2013) 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 2012/13

The Internal Audit Programme 2013/14

## **Impact**

- 5.

|                            |   |
|----------------------------|---|
| Communication/Consultation | The Internal Audit Work Programmes 2012/13 and 2013/14 referred to in this report have been approved by the Corporate Management Team and endorsed by the Performance & Audit Committee.<br><br>Strategic and Senior Management have been consulted with on the planned work areas for quarters 1 & 2 of 2013/14. |
| 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 12 February 2013;
  - ii) A summary of the risk level 3 and 4 highest priority recommendations made and agreed;
  - iii) Performance against the Internal Audit Work Programme 2012/13;
  - iv) Performance against the Internal Audit Work Programme 2013/14;
  - v) Details of any risk level 3 and 4 highest priority recommendations not implemented within the agreed timescale;
  - vi) Details of any risk level 1 and 2 lower priority recommendations not implemented within the agreed timescale.

## Work Undertaken by Internal Audit 26 January to 30 April 2013

7. Since the last report to the Committee:
  - i) Audit work on 33 of the 34 of the audits on the Revised Internal Audit Work Programme 2012/13 was completed by 30 April 2013. The remaining audit is awaiting auditee agreement on the draft Report recommendations and management actions; the final report is expected to be issued for this audits by 31 May 2013.
  - ii) Between 26 January to 30 April 2013, 15 audits from the 2012/13 audit programme were completed and Final Reports issued with a total of 21 recommendations made. All final audit reports issued have been copied to Performance & Audit Committee members and are available on the Council's Intranet. An overall summary of final reports issued together with an analysis of agreed recommendations and overall progress on the 2012/13 programme is presented at Appendix A;
  - iii) There are 9 risk level 4 or 3 highest priority recommendations arising from the final reports, details of these are presented at Appendix A;
  - iv) Between 01 April and 30 April 2013, work has started on 5 audits from the 2013/14 Audit Programme.

## Audit Work Programme 2013/14

8. As of 30 April 2013, Internal Audit year to date work against the audit programme is:
- i) 5 out of 31 Audits commenced (16%)
  - ii) 0 out of 31 Audits completed to draft report stage (0%)
  - iii) 0 out of 31 Audits completed and Final Reports Issued (0%)

## Recommendations Implemented 26 January to 30 April 2013

9. There are five 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 30 April 2013

10. At 30 April 2013, there is one level 3 highest priority recommendation reported in Covalent as not being implemented in accordance with their agreed due date; a summary is presented at Appendix B

## Risk Analysis

11.

| 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>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.