

Committee: PERFORMANCE & AUDIT COMMITTEE

Agenda Item

Date: 13 February 2014

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**Title: Internal Audit Progress Report,
09 November 2013 to 31 January 2014**

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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 & Audit Committee on 21 November 2013 and to provide an update on implemented and outstanding internal audit recommendations.

Recommendations

2. That the Internal Audit Progress Report (09 November 2013 – 31 January 2014) be noted

Financial Implications

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

Background Papers

4. None

Impact

- 5.

Communication/Consultation	The Internal Audit Work Programme 2013/14 referred to in this report has been approved by the Corporate Management Team and endorsed by the Performance & Audit Committee.
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 Performance and Audit Committee at its meeting 21 November 2013;
 - ii) A summary of the risk level 3 and 4 highest priority recommendations made and agreed;
 - iii) Revisions to and performance against the Internal Audit Work Programme 2013/14;
 - iv) Details of risk level 3 and 4 highest priority recommendations implemented since the last report to Members;
 - v) Details of any recommendations not implemented within the agreed timescale.

Work Undertaken by Internal Audit 09 November 2013 – 31 January 2014

7. Since the last report to the Committee:
- i) Between 09 November 2013 and 31 January 2014, 5 audits from the 2013/14 audit programme were completed and final reports issued with a total of 17 recommendations made. All final audit reports issued have been copied to Performance & Audit Committee members and will be 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 2013/14 programme is presented at Appendix A;
 - ii) There were 7 risk level 3 or 4 highest priority recommendations arising from the final reports;
 - iii) Between 09 November 2013 and 31 January 2014, work has started on 2 audits from the 2013/14 Audit Programme.

Audit Work Programme 2013/14

8. The Internal Audit Work Programme is a rolling programme of audit work expected to be undertaken during 2013/14 and, in accordance with the Internal Audit Strategy, was reviewed and updated in January 2014 to identify the scope of the key financial and other audit work to be undertaken in quarter

4 of 2013/14 and audits to be carried over to 2014/15. The revised programme is presented in Appendix A.

9. As of 31 January 2014, Internal Audit year to date work against the audit programme of 29 Audits is:
- i) 14 audits have been completed and Final Reports Issued
 - ii) 14 further audits are currently work in progress (of which 12 are key financial audits)

Recommendations Implemented 09 November 2013 – 31 January 2014

10. There are 4 risk level 4 & 3 recommendations which have been implemented; a summary is presented at Appendix B.

Recommendations Not Implemented by due date at 31 January 2014

11. At 31 January 2014 there were no recommendations reported in Covalent as not being implemented in accordance with their agreed due dates

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.