



Audit Committee
25th June 2008

**Report from the Director of Finance
and Corporate Resources**

For Information

Wards Affected:
ALL

Report Title: Final Internal Audit Progress Report 2007/08

1. Summary

- 1.1. This report summarises the work of Internal Audit for the period from January 2008 to March 2008. The report also summarises the results of audit work for the year and the adequacy and effectiveness of controls in the Council's systems where Internal Audit has issued final reports since April 2007.

2. Recommendations

- 2.1. That the Audit Committee note the progress made in achieving the 2007/08 Internal Audit Plan.

3. Detail

- 3.1. The original Internal Audit Plan for 2007/08, reported to committee on 26th April 2007¹, comprised 1224 days, of which 774 were originally allocated to Deloitte & Touche Public Sector Internal Audit Limited, and 450 to the in-house team.
- 3.2. An additional 100 days were later transferred from the in-house team to Deloitte due to reduced resources on the in-house side.
- 3.3. The 2007/08 Internal Audit Plan has been completed in full with the exception of 30 days which have been carried forward into 2008/09 representing 98% completion. These 30 days were part of the additional 100 days transferred to Deloitte, and have been carried forward due to the primary schools not being ready for their Financial Management Standard in Schools (FMSIS) assessment prior to 31 March 2007. Given the high number of schools now requiring assessment in 2008/09, these 30 days will help to reduce the

pressures on the 2008/09 Plan in terms of having to allocate a high proportion of days to the schools.

- 3.4. As reported previously, a number of difficulties were experienced in the later part of the financial year in terms of being able to schedule in audits to fully utilise the total days in the Plan. With the exception of the 30 days being carried forward for FMSIS assessments, additional audits were successfully identified to fill the total days. These audits were not originally included within the 2007/08 Plan, but were identified as being areas in which internal audit work was needed or would be of value. Where any audits were not completed from the original Plan due to there being specific issues with the timing of the audit, for example where a new IT system was being developed or implemented, these are included within the 2008/09 Internal Audit Plan as appropriate.
- 3.5. Of the 48 Final Reports issued during 2007/08, for which an Assurance Opinion was due, there have been 20 (42%) 'Substantial' assurance opinions, 28 (58%) 'Limited' assurance opinions. This is not unusual for a large local authority and comparable with results in the other authorities in the framework agreement. No 'Full' or 'Nil' assurance opinions have been awarded for those audits finalised to date. This does not include the Brent Housing Partnership (BHP) Final Reports, as these are reported on separately to the BHP Audit & Finance Sub-Committee.
- 3.6. In total, 76 Final Reports have been issued as part of the 2007/08 Internal Audit Plan. A summary report setting out completed audit work is attached as Appendix 1.

4. Financial Implications

- 4.1. None

5. Legal Implications

- 5.1. None

6. Diversity Implications

- 6.1. None

7. Staffing/Accommodation Implications

- 7.1. None.

8. Background Papers

1. REPORT FROM THE DIRECTOR OF FINANCE - INTERNAL AUDIT PLAN; JOINT AUDIT & INSPECTION PLAN for 2007/08, *Audit Committee* – 26 April 2007.

9. Contact Officer Details

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