

	<p style="text-align: center;"><b>Audit Committee</b> 24<sup>th</sup> September 2008</p> <p style="text-align: center;"><b>Report from the Director of Finance and Corporate Resources</b></p>
<p>For Information <span style="float: right;">Wards Affected: ALL</span></p>	
<p><b>1<sup>st</sup> Internal Audit Progress Report 2008/09</b></p>	

## 1. Summary

- 1.1. This report summarises the work of Internal Audit for the period from 1 April 2008 to 31 August 2008. The attached report provides further details of this, together with the assurance ratings and priority 1 recommendations for those audits for which a final report has been issued since the start of the financial year.

## 2. Recommendations

- 2.1. That the Audit Committee note the progress made in achieving the 2008/09 Internal Audit Plan.

## 3. Detail

- 3.1. The overall Internal Audit Plan for 2008/09 comprises 1230 days, of which 970 have been allocated to Deloitte & Touche Public Sector Internal Audit Limited, and 260 to the in-house team.
- 3.2. As at the end of August 2008, 351 days had been delivered. These consist of 250 Deloitte days and 101 in-house days representing 29% of the plan.
- 3.3. It is recognised that delivery is not on course to achieve 50% by the end of the second quarter. However, this is not being raised as a concern with Members

since a large proportion of the remaining days have already been booked in across the third and fourth quarters. In line with the Audit Commission's requirements, the majority of the key financial systems need to be left until later in the year to ensure that there are sufficient volumes of transactions to be included in sample testing. There are also a number of audits which have needed to be scheduled into the second half of the year on the basis that these relate to operational developments taking place across the Council. Much of the focus for the year to date has also had to be on undertaking the FMSIS assessments across the primary schools, due to the majority of schools not having been ready for assessment during 2007/08. Good progress has been made with these assessments, although this has diverted attention away from other areas which will now be addressed in the remaining two quarters.

- 3.4. In addition to the work around the FMSIS assessments, a number of systems audits and IT audits have also been undertaken, as well as a piece of work by one of Deloitte's specialist contract auditors in relation to the retendering of the Highways Maintenance Works contracts. In addition, as required in previous years, the in-house team have completed work around the LAA (Local Area Agreement) in order for the grant to be certificated and, as presented to the last meeting of the Committee, the Head of Audit & Investigations also carried out the Governance Review and produced the Council's Governance Statement.
- 3.5. The report also summarises the feedback received from auditees on the work carried out by Deloitte for the financial year to date. In addition, a summary report on the feedback received in relation to work against the 2007/08 Internal Audit Plan is also attached at appendix 2 for Members' reference. This had previously been reported by Deloitte to the Head of Audit & Investigations. The reporting of this performance monitoring information to the Audit Committee is in response to a recommendation raised by the Audit Commission in their recent triennial review of internal audit.

#### **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 for 2008/09, *Audit Committee – 25<sup>th</sup> June 2008.*

**9. Contact Officer Details**

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