

	<p style="text-align: center;"><b>Audit Committee</b> 18<sup>th</sup> June 2009</p> <p style="text-align: center;"><b>Report from the Director of Finance and Corporate Resources</b></p>
For Information	Wards Affected: ALL
<p><b>Final Internal Audit Progress Report 2008/09</b></p>	

## 1. Summary

- 1.1. This report summarises the work of Internal Audit for 2008/09 and provides an update on progress since the previous report to this committee on 4<sup>th</sup> March 2009.

## 2. Recommendations

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

## 3. Detail

- 3.1. The Internal Audit Plan for 2008/09<sup>1</sup> comprised 1220 days, of which 970 was allocated to Deloitte Touche Public Sector Internal Audit Limited, and 250 to the in-house team.
- 3.2. The 2008/09 Internal Audit Plan has been completed in full with the exception of 45 days which have been carried forward into 2009/10. On this basis, 96% of the total planned days for 2008-09 were delivered.
- 3.3. The 45 days which have been carried forward to 2009-10 comprise 35 Deloitte days and 10 in-house days. As with the days carried forward at the end of 2007/08, these days will assist with the completion of the remaining 25 primary schools requiring assessment against Financial Management Standard in Schools (FMSiS). The deadline for completing all primary schools is 31 March 2010, therefore all of the remaining 25 schools will need to be assessed as part of the 2009/10 Plan. Including the administrative time for co-ordinating this and the on-going liaison with Education Finance, this requires a total of 110 days to be allocated from the Plan. The intention of the carried forward days is to reduce the impact that this has on the rest of the

plan, in terms of minimising the extent to which resources that have to be diverted away from non-school work. Members are reminded that this situation has arisen due to some schools not being prepared, as per agreed deadlines, to be assessed, as opposed to a failure on the part of Internal Audit to undertake the assessments.

- 3.4. In total, 61 Final Reports have been issued as part of the 2008-09 Internal Audit Plan. A summary report setting out completed audit work is attached at Appendix 1.
- 3.5. Of the 28 Final Reports issued during 2008/09, for which an Assurance Report was due, there were 21 (75%) 'Substantial' assurance opinions and 7 (25%) 'Limited' assurance opinions. This is a marked improvement over the previous year when 58% of reports were limited assurance. No 'Full' or 'Nil' assurance opinions have been awarded for those audit reports finalised to date. This does not include final reports relating to Brent Housing Partnership (BHP), which are reported separately to the BHP Audit & Finance Sub-Committee.
- 3.6. In addition to these reports, 25 schools were assessed against the FMSiS, all of whom passed the assessment.
- 3.7. A structured programme of follow-up reviews has been in place in 2008-09. The implementation of recommendations is generally positive, with a total of 75% of all recommendations either fully or partly implemented. This figure rises to 80% for priority 1 recommendations.

#### **4. Financial Implications**

- 4.1. None

#### **5. Legal Implications**

- 5.1. None

#### **6. Diversity Implications**

- 6.1. None

#### **7. Background Papers**

1. REPORT FROM THE DIRECTOR OF FINANCE – INTERNAL AUDIT PLAN FOR 2008-09, *Audit Committee – 25<sup>th</sup> June 2008.*

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