



Audit Committee
3rd March 2010

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

For Information

Wards Affected: ALL

Internal Audit Progress Report April 2009 to January 2010

1. Summary

- 1.1. This report identifies the internal audit reports issued since December 2009 and provides a summary of the work of Internal Audit for the period from 1 April 2009 to 31 January 2010.

2. Recommendations

- 2.1. The Audit Committee note the progress made in achieving the 2009/10 Internal Audit Plan.

3. Detail

- 3.1. The Internal Audit Plan for 2009/10¹ comprises 1211 days, of which 951 are allocated to Deloitte Touche Public Sector Internal Audit Limited, and 260 to the in-house team. Of the total, 45 days were carried forward from 2008/09 to assist with the completion of Financial Management Standards in Schools (FMSiS) assessments in the primary schools, as previously agreed by the Audit Committee.
- 3.2. At the end of January 2010, a total of 930 days had been delivered against the overall Plan, made up of 709 Deloitte days and 221 in-house days. This represents 77% of the Plan. The current forecast is for 97% of the plan to be completed, with a carry forward of 54 days into the 2010/11 year. These relate to the audit and the FMSiS Assessment for two Foundation Schools and also work in relation to the Adult Social Care Transformation Programme.
- 3.3. In terms of the profile for 2009/10, in so far as it had been possible to allocate audits to a specific quarter prior to the start of the year, the majority of these have been progressed as planned. Specific target percentages were not agreed for each quarter given that it had not been possible to profile all audits.
- 3.4. As indicated to this committee in December 2010, a significant amount of time

has been spent in the year to date on undertaking further FMSIS assessments in the primary schools. Currently, the team is on target to assess all primary schools by the 31 March 2010 deadline. There are currently only three primary schools which are still to be assessed.

- 3.5. In addition to the Schools, a wide range of systems audits and IT audits has been undertaken together with verification work in respect of the Local Area Agreement (LAA) Stretch Targets. Capital based contract audit work has also been undertaken with Brent Housing Partnership (BHP) and in relation to the construction of the Civic Centre and the ongoing construction of the ARK Academy. In addition, a number of revenue based contract audits have been undertaken in relation to the arrangements for managing key contracts across the Council.
- 3.6. A further stream of work currently being undertaken is in relation to the Finance Modernisation project. In view of the potential for conflict between Deloitte PSIA and Deloitte Consulting, who are advising on the modernisation project, an approach has been agreed with the Director of Finance and the Head of Audit & Investigations, with regards to the Internal Audit review of control processes being designed by the Project Team. Deloitte PSIA will undertake the initial review, focusing on the adequacy of the controls set out against key risks. The in-house Audit Manager and the Head of Audit & Investigations will review and agree the findings from Deloitte PSIA's work, prior to passing a report to the Director & Deputy Director of Finance & Corporate Resources.
- 3.7. A more detailed summary of progress and key findings from our work is provided in appendix 1.

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 AND CORPORATE RESOURCES – INTERNAL AUDIT PLAN FOR 2009-10, Audit Committee – 18th June 2009.
2. REPORT FROM THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES – 2nd INTERNAL AUDIT PROGRESS REPORT, Audit Committee – 17th December 2009.

8. Contact Officer Details

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