



Audit Committee
15 June 2010

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

For Information

Wards affected:
ALL

Final Internal Audit Progress Report 2009/10

1. Summary

- 1.1. This report summarises the work of Internal Audit for 2009/10 and provides an update on progress since the previous report to this Committee on 3rd March 2010.

2. Recommendations

- 2.1. That the Audit Committee notes the progress made in achieving the 2009/10 Internal Audit Plan.

3. Detail

- 3.1. The Internal Audit Plan for 2009/10 comprised 1211 days, of which 951 were allocated to Deloitte Touche Public Sector Internal Audit Limited, and 260 to the in-house team. Of the total, 45 days were brought forward from 2008/09 to assist with the completion of Financial Management Standard in Schools (FMSiS) assessments in primary schools, as previously agreed with the Committee.
- 3.2. A total of 1152 days have been delivered against the overall Plan, made up of 902 Deloitte PSIA days and 250 in-house days. This represents 95% of the Plan.
- 3.3. In total, 59 days are being carried forward into the 2010/11 year. These primarily relate to the audit and FMSiS assessments for two Foundation schools and also work in relation to the Adult Social Care Transformation Programme. These schools were added to the plan mid-year following the decision that Internal Audit would be responsible for undertaking this work although were deferred at the request of Education Finance
- 3.4. With regard to the work around the Adult Social Care Transformation

Programme, some days were delivered in relation to the Re-ablement workstream. However, the Assistant Director, Quality & Support, requested that Self Directed Support (SDS) and Direct Payments be deferred until April/May 2010. That is now underway as part of the 2010/11 Plan. Work in relation to the integration with Central & North West London Mental Health Trust was also postponed. Consideration was given to whether the days assigned to these audits could be used to undertake alternative work. Some additional work was identified through discussions with management regarding new or emerging risk areas. The balance has then been carried forward.

- 3.5. Of the 33 Final Reports issued during 2009/10, for which an Assurance Report was due, there were 19 (58%) 'Substantial' assurance opinions and 14 (42%) 'Limited' assurance opinions. This does not include the Brent Housing Partnership (BHP) final reports as these are reported separately to the BHP Audit & Finance Sub-Committee.
- 3.6. With regards to schools and the FMSiS assessments undertaken, 22 schools were assessed as having achieved the standard during 2009/10; 7 had achieved a 'Conditional Pass' and 1 school a 'Fail'. Members are reminded that schools achieving a 'Conditional Pass' are given 20 working days as per DCSF guidance, in order to address any gaps identified in the initial assessment. Evidence of this is required to be provided to Internal Audit prior to this being upgraded to a full 'Pass'.
- 3.7. In total, 50 (41 Council and 9 BHP) Final Reports (excluding reports for schools) have been issued as part of the 2009/10 Internal Audit Plan. A summary report setting out completed audit work is attached as Appendix 1.
- 3.8. With regard to the follow-up of recommendations raised and agreed by management, a more structured programme was introduced in 2008/09, as reported to Committee. Under the revised approach, management are responsible for completing a self assessment of the status of implementation of each of the recommendations originally raised, following the passing of agreed deadlines for implementation. Where management indicate that recommendations have been implemented, then a meeting is arranged to verify this, following which a report is issued. If the recommendations have not been fully implemented, either through verification or as indicated by management in their self assessment, then, as was previously the case, further actions are identified as necessary and revised deadlines for completion will be agreed with management. In all cases, where recommendations have not been fully implemented, the further actions will continue to be followed-up until the point at which full implementation is confirmed.

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 2009/10, Audit Committee – 3rd March 2009.

8. Contact Officer Details

Simon Lane, Head of Audit & Investigations, Room 1, Town Hall Annexe.
Telephone – 020 8937 1260

DUNCAN McLEOD
Director of Finance and Corporate Resources