

	<p style="text-align: center;">Audit Committee 4th March 2009</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
<p style="text-align: right;">Wards Affected: NONE</p>	
<p style="text-align: center;">3rd Internal Audit Progress Report 2008/09</p>	

1. Summary

- 1.1. This report summarises the work of Internal Audit since the previous report to this committee on 17th December 2008. The report also summarises the results of audit work to date and the adequacy and effectiveness of controls in the Council's systems where Internal Audit has issued final reports since the previous Audit Committee meeting.

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 Internal Audit Plan for 2008/09¹ comprises 1220 days, of which 970 have been allocated to Deloitte & Touche Public Sector Internal Audit Limited, and 250 to the in-house team.
- 3.2. As at the end of January 2008, 867 days had been delivered. These consist of 676 Deloitte days and 191 in-house days representing 71% of the Plan.
- 3.3. Members have been updated previously on the reasons why delivery is not evenly spread across the four quarters. The audit plan for 2009/10 includes an indicative profile of planned delivery across the four quarters to allow for

improved monitoring of progress.

- 3.4. At the previous meeting³, Members were advised that a number of planned audits had to be postponed and a number of additional audits and non-standard pieces of work were identified to utilise the days. This exercise has continued and all contingency days have now been allocated, with the exception of 45 that will be carried forward to 2009/10. Anticipated delivery by the end of 2008/09 is forecast at 96%.
- 3.5. With regards to the proposal to carry forward 45 days, these comprise 35 Deloitte days and 10 in-house days. As at the end of 2007/08, there are still a significant number of primary schools which require assessing against the FMSiS. The deadline for completing all primary schools is 31 March 2010, and so all remaining schools need assessing as part of the 2009/10 Plan. In total, 25 schools need to be assessed. Including the administrative time for co-ordinating this and the ongoing liaison with Education Finance, this requires a total of 110 days to be allocated from the Plan. The intention of the carry 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 have to be diverted away from non-school work. A similar carry forward was agreed at the end of 2007/08. Members are reminded that this situation has arisen due to some of the schools not having prepared themselves as per the agreed deadlines as opposed to a failure on the part of Internal Audit to undertake the assessments.
- 3.6. A more detailed summary of progress and the key findings from our work is provided in the attached report.

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 – 4th March 2008*.
2. REPORT FROM THE DIRECTOR OF FINANCE – 1st INTERNAL AUDIT

- PROGRESS REPORT 2008/09, *Audit Committee –24th September 2008.*
3. REPORT FROM THE DIRECTOR OF FINANCE – 2nd INTERNAL AUDIT
PROGRESS REPORT 2008/09, *Audit Committee –17th December 2008.*

9. Contact Officer Details

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

Duncan McLeod
Director of Finance and Corporate Resources