

PART A

Report to: Audit Committee
Date of meeting: 10th January 2013
Report of: Audit Manager
Title: Internal Audit Progress Report

1.0 **SUMMARY**

This report and appendices provide updated information on the work undertaken by Internal Audit on the 2011/2012 Audit Plan and 2012/2013 Audit Plan in the period 1st April 2012 to 12th December 2012.

2.0 **RECOMMENDATIONS**

2.1 The contents of the report be noted.

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Report approved by: Bernard Clarke – Head of Strategic Finance.

3.0 **DETAILS**

3.1 This report covers the work undertaken by Internal Audit since the last report to Audit Committee in September 2012.

Appendix (1) shows the position on audits carried forward from 2011/12 and with audits from the 2012/13 Audit Plan, including cumulative time taken for the year compared to the time allocated in the annual audit plan.

Appendix (2) shows the local performance measures for 2012/13 to 12th December 2012.

3.2 The work undertaken to 12th December 2012 on the planned audits for 2011/2012 and 2012/2013 as listed in Appendix 1 has not, at this stage, generated issues that need to be brought to the attention of the Audit Committee, other than as previously reported and as shown in Part B of the Agenda for this Committee meeting.

3.3 The Committee is asked to note that the proposed changes to the provision of Internal Audit and the imminent departure of the Audit Manager are likely to mean that a proportion of the audits yet to be allocated for 2012/13 will now have to be postponed until 2013/14 or deleted if no longer considered necessary. In planning for this, priority has been given to ensuring that the managed audits (covering the main financial systems) are completed before 31 March 2013.

3.4 The Committee is also asked to note that the IT Governance and IT Network Infrastructure audits that had been due to be completed by Deloitte have been postponed pending the finalisation of the outsourcing considerations for the ICT service. The Deloitte resource has been translated into 21 general audit days to assist with delivery of the managed audits.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Head of Strategic Finance comments that there are no financial implications in this report.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Legal and Property Services comments that there are no legal issues in the report. The Council has a responsibility to ensure that it maintains an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control.

4.3 **Potential Risks**

4.3.1

Potential Risk	Likelihood	Impact	Overall score
The most significant potential risk is the possibility that Internal Audit work is of poor quality and the service ineffective. This could lead to an increase in control weaknesses, in greater risks to the Council and to a loss of confidence by the external auditors in Internal Audit and the Council's control environment.	1	3	3

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Audit Files

File Reference

None.