

Report to: Audit Committee
Date of meeting: 22nd September 2008
Report of: Audit Manager
Title: Internal Audit Progress Report

1.0 **SUMMARY**

This report and appendices provide information on the work undertaken by Internal Audit for the period 1st April 2008 to 31st August 2008.

2.0 **RECOMMENDATIONS**

2.1 The contents of the report be noted.

Contact Officer:

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Report approved by: Janice Maule – Director of Finance.

3.0 **DETAILS**

3.1 This report covers the work undertaken by Internal Audit during the five months ended 31st August 2008. Details are set out in the appendices:

- 1) The latest position on individual audits as at 31st August including cumulative time taken for the year compared to the time allocated in the annual audit plan.
- 2) Local performance measures to the same date.
- 3) Main issues arising from work undertaken.

The following paragraphs cover other items of general interest.

3.2 There are no matters arising from the work completed to date that are likely to have a significant adverse impact on the effectiveness of the Council's control environment.

3.3 In September 2007 the results of a detailed self assessment of the effectiveness of Internal Audit was reported to Committee. The report confirmed that Audit's operational policies and procedures, with very limited exceptions, were compliant with the standards set out in CIPFA's *Code of Practice for Internal Audit in the UK*. There is a statutory requirement for Councils to carry out a review of the effectiveness of the system of internal audit at least once a year and the self assessment exercise forms part of this process. Another such assessment has just been completed and it has been concluded that some minor changes made during the year have marginally increased the level of compliance.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Director of 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 Democratic 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

In June this Committee endorsed the conclusion that the system of internal audit had been effective in the past year. (See also 3.3 above).

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.