

---

Meeting	Audit Committee
Date	29 April 2014
<b>Subject</b>	<b>Internal Audit Exception Recommendations Report and Progress Report up to 31st March 2014</b>
Report of	Head of Internal Audit
Summary	Members are asked to note the progress against internal audit recommendations and work completed to date on the Internal Audit Annual Plan 2013-14 and high priority recommendations.
Officer Contributors	Caroline Glitre, Head of Internal Audit
Status (public or exempt)	Public
Wards Affected	None
Key Decision	No
Reason for urgency / exemption from call-in	Not applicable
Function of	Council
Enclosures	Appendix A: Internal Audit Progress Report (up to 31st March 2014) Appendix B: Work completed in Q4 to 31st March 2014 Appendix C: Work in progress at 31st March 2014 Appendix D: Internal Audit Effectiveness Indicators Appendix E: Internal Audit Recommendations quarter 4 (end of March)

## **1. RECOMMENDATIONS**

- 1.1 That the Committee note the progress against internal audit recommendations and work completed to date on the Internal Audit Annual Plan 2013-14 & high priority recommendations.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Audit Committee 11 March 2010 (Decision Item 10) - the Committee accepted that there would be progress reports to all future meetings of the Committee and, that for all "limited" or "no assurance" audits, there should be a brief explanation of the issues identified.
- 2.2 Audit Committee 21 September 2010 (Decision Item 8) – the Committee agreed that where an audit had limited assurance that greater detail be provided than previously.
- 2.3 Audit Committee 17 February 2011 (Decision Item 7) – the Committee (i) agreed that a report would be prepared quarterly regarding those internal audit recommendations not implemented (ii) requested that the table of priority 1 recommendations should in future indicate what date recommendations were made to service areas and the implementation date.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 All internal audit and risk management planned activity is aligned with the Council's objectives set out in the Corporate Plan 2013-2016, and thus supports the delivery of those objectives by giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 All Internal Audit activity is directed toward giving assurance about risk management within the areas examined. By so doing the aim is to help maximise the achievement of the Council's objectives. Internal Audit does this by identifying areas for improvement and agreeing actions to address the weaknesses.
- 4.2 Internal Audit work contributes to increasing awareness and understanding of risk and controls amongst managers and thus, leads to improving management processes for securing more effective risk management.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess, as appropriate, the differential aspects on different groups of individuals to ensure compliance with the Council's duties under the 2010 Equality Act.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

6.1 When risk, and assurances that those risks are being well managed, is analysed alongside finance and performance information it can provide management with the ability to measure value for money.

## **7. LEGAL ISSUES**

7.1 None in the context of this report.

## **8. CONSTITUTIONAL POWERS**

8.1 The Council's Constitution under Responsibility for Functions – The Audit Committee's terms of reference includes "to consider the annual audit opinion".

8.2 The Constitution Part 3 Responsibilities for Functions - the Audit Committee terms of reference paragraph 2 states that the Committee can consider summaries of specific internal audit reports as requested.

## **9. BACKGROUND INFORMATION**

9.1 The Internal Audit Service has continued to deliver work in accordance with its plan reported to the Audit Committee in April 2013. This is the final period of reporting for the 2013-14 year end. Over the current period since the Committee last met in January 2014 the service has issued 25 reports, all but 8 were rated as satisfactory. Information has been presented in Appendix A on those reports issued as 'No' or 'Limited' assurance.

9.2 All (100%) of the recommendations that were due at the end of March have been implemented. A summary of those recommendations which were due in Quarter 4 has been included for the Audit Committee to review (appendix E).

9.3 The risk management arrangements are reviewed annually and are considered elsewhere on the Audit Committee agenda.

9.4 The final performance report for Quarter 3 can be found via the link below and includes the Quarter 3 corporate risk register. Quarter 4 performance will be published at the end of April.

<http://barnet.moderngov.co.uk/mgAi.aspx?ID=6286#mgDocuments>

## **10. LIST OF BACKGROUND PAPERS**

10.1 None.

<b>Cleared by Finance (Officer's initials)</b>	<b>JH</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>N/A</b>