

	<p style="text-align: center;">Audit Committee</p> <p style="text-align: center;">6th November 2014</p>
<p style="text-align: right;">Title</p>	<p>Internal Audit Exception Recommendations Report and Progress Report up to 30th September 2014</p>
<p style="text-align: right;">Report of</p>	<p>Caroline Glitre – Head of Internal Audit</p>
<p style="text-align: right;">Wards</p>	<p>N/A</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A: Internal Audit progress report (up to 30th September 2014) Appendix B: Work completed in Q2 to 30th September 2014 Appendix C: Work in progress at 30th September 2014 Appendix D: Internal Audit Effectiveness Indicators Appendix E: Internal Audit Recommendations due quarter 2 (end of September)</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Caroline Glitre, Head of Internal Audit caroline.glitre@barnet.gov.uk 020 8359 3721</p>

Summary

Members are asked to note the progress against internal audit recommendations and work completed to date on the Internal Audit Annual Plan 2014-15 and high priority recommendations.

The Internal Audit Service commenced delivery of work in accordance with its plan reported to the Audit Committee in April 2014. Over the current period since the Committee last met in July 2014 the service has issued 13 reports. For those reports with an assurance rating, 3 reports were given 'Limited' and 6 reports given 'Satisfactory'. Information has been presented in Appendix A on those reports issued as 'Limited' assurance:

- **Your Choice Barnet Contract Review (Joint Internal Audit & CAFT review)**
- **Passenger Transport Contracts (Joint Internal Audit & CAFT review)**
- **Permanency Routes**

Full copies of those audit reports are available on the Barnet website here:

<http://barnet.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=13619&path=0>

67% of the recommendations that were due to have been implemented at the end of September have been implemented. A summary of those recommendations which were due in Quarter 2 has been included for the Audit Committee to review (Appendix E).

Recommendations

That the Committee note the progress against internal audit recommendations and work completed to date on the Internal Audit Annual Plan 2014-15 & high priority recommendations.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Committee's role in receiving this report is to note the overall progress made against the 2014-15 Internal Audit Plan and the high priority recommendations made. In addition, the Audit Committee can inquire with Directors and Assistants Directors as to their progress against recommendations.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Audit Committee approved the workplan in April and this report notes the progress against that plan and progress against high priority recommendations.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not relevant.

4. POST DECISION IMPLEMENTATION

- 4.1 The Internal Audit Plan will continue to be delivered as reported to the Audit Committee with recommendations implemented in line with the report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 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.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 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.

5.2.2 The work plan agreed by the Audit Committee is being achieved from Internal Audit's current budget.

5.3 Legal and Constitutional References

5.3.1 There are no legal issues in the context of this report.

5.3.2 The Council's 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.

5.4 Risk Management

5.4.1 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.

5.4.2 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.

5.5 Equalities and Diversity

5.5.1 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.

5.6 Consultation and Engagement

5.6.1 N/A

6. BACKGROUND PAPERS

6.1 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.

<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201003111900/Agenda/Document%201.pdf>

- 6.2 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.
<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201009211900/Agenda/Document%201.pdf>
- 6.3 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.
<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201102171900/Agenda/Document%201.pdf>