

	<p><b>Audit Committee</b></p> <p><b>5<sup>th</sup> November 2015</b></p>
<p><b>Title</b></p>	<p><b>Internal Audit Exception Recommendations Report and Progress Report up to 30th September 2015</b></p>
<p><b>Report of</b></p>	<p>Caroline Glitre – Head of Internal Audit</p>
<p><b>Wards</b></p>	<p>N/A</p>
<p><b>Status</b></p>	<p>Public</p>
<p><b>Enclosures</b></p>	<p>Internal Audit progress report (up to 30<sup>th</sup> September 2015)</p>
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<p><b>Summary</b></p>	
<p>Members are asked to note the progress against internal audit recommendations and work completed to date on the Internal Audit, Corporate Anti-Fraud Team (CAFT) and Risk Management Plan 2015-16 (the Internal Audit Plan 2015-16) and high priority internal audit recommendations.</p>	
<p>The Internal Audit Service has continued delivery of work in accordance with its plan reported to the Audit Committee in April 2015. Over the current period since the Committee last met in April 2015 the service has issued 23 reports with the following assurance ratings:</p>	
<p>Substantial</p>	<p>1</p>
<p>Satisfactory</p>	<p>15</p>
<p>Limited</p>	<p>1</p>
<p>No</p>	<p>0</p>

N/A	6
<b>Total</b>	<b>23</b>

Detail has been presented within the report on audits that were given 'Limited' assurance:

1	Contract Management - Homecare
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Full copies of Limited Assurance audit reports are available on the Barnet website here:

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

### Implementation of Recommendations

3 of the 9 (33%) high priority recommendations that were due to have been implemented by the end of the quarter have been fully implemented. This is below the target of 90%. A summary of the detail of those recommendations which were due in Quarter 2 has been included for the Audit Committee to review (Section 7).

A summary of the status across all the priority 1 recommendations due for implementation within the quarter is as follows:

Status	Number	%
Implemented	3	33%
Partly Implemented	6	67%
Not Implemented	0	0%
<b>Total</b>	<b>9</b>	<b>100</b>

## Recommendations

**That the Committee note the work completed to date on the Internal Audit Annual Plan 2015-16 & progress against 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 2015-16 Internal Audit Plan and the high priority recommendations made. In addition, the Audit Committee can inquire of Directors and Assistants Directors as to their progress against recommendations.

### 2. REASONS FOR RECOMMENDATIONS

- 2.1 The Audit Committee approved the Internal Audit Plan 2015-16 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 2015-16 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 2015-2020, 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 Internal Audit Plan 2015-16 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, 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>