

Report of the Director of Resources and Deputy Chief Executive

Report to Corporate Governance and Audit Committee

Date: 10th July 2013

Subject: Internal Audit Quarterly Report 1st April to 30th June 2013

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the Council's Corporate Governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
2. This report provides a summary of internal audit activity for the period 1st April to 30th June 2013 and highlights the incidence of any significant control failings or weaknesses.
3. The proposed Internal Audit Plan for 2013/14 is also included as part of this report.

Recommendations

4. The Corporate Governance and Audit Committee is asked to receive the Internal Audit April to June 2013 report and note the work undertaken by Internal Audit during the period covered by the report.
5. The Corporate Governance and Audit Committee is asked to note the Internal Audit Plan for 2013/14.

1 Purpose of this report

- 1.1 This purpose of this report is to provide a summary of internal audit activity for the period 1st October to 30th November 2012 and highlight the incidence of any significant control failings or weaknesses.
- 1.2 The proposed Internal Audit Plan for 2013/14 is also included as part of this report and has been challenged and agreed by the Deputy Chief Executive and Director of Resources.

2 Background information

- 2.1 The Committee has responsibility for reviewing the adequacy of the Council's Corporate Governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.

3 Main issues

- 3.1 The report details the work undertaken by the Internal Audit Section. The report also contains a summary of completed reviews along with their individual audit opinions.
- 3.2 There are no issues identified by Internal Audit in the April to June 2013 Internal Audit Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.
- 3.3 Internal Audit will continue to undertake a follow up audit on reports with limited or no assurance or where the impact has been determined as either 'Major' or 'Moderate' to ensure the revised controls are operating well in practice.
- 3.4 The report also includes the 2013/14 Audit Plan. The current level of resources available with existing staff levels for productive audit work is 5727 days. The level of resources required to be seconded is 506 days and the number of days required to provide internal audit services for which a charge is made is 634 days. Therefore the estimated level of resources that are available to specifically provide the Head of Audit with the evidence for his opinion on the control environment is 4587 days.
- 3.5 It is proposed that internal audit continues to prepare 3 monthly plans to ensure it is as current and relevant as possible throughout the year.
- 3.6 Progress against the plan will be monitored throughout the year and key issues reported to the Director of Resources and Deputy Chief Executive, the Chief Officer (Financial Management) and the Chief Officer (Audit & Investment.) The Head of Audit will report key issues arising from this work to the Committee in the regular update reports.

4 Corporate Considerations

4.7 Consultation and Engagement

4.7.1 This report did not highlight any consultation and engagement considerations.

4.8 Equality and Diversity / Cohesion and Integration

4.8.1 This report does not highlight any issues regarding equality, diversity, cohesion and integration.

4.9 Council policies and City Priorities

4.9.1 The terms of reference of the Corporate Governance and Audit Committee require the Committee to review the adequacy of the Council's corporate governance arrangements. This report forms part of the suite of assurances that provides this evidence to the Committee.

4.10 Resources and value for money

4.10.1 In relation to resources and value for money, the Internal Audit annual report includes a number of value for money reviews and a number of initiatives in line with the council's value of spending money wisely.

4.11 Legal Implications, Access to Information and Call In

4.11.1 None.

4.12 Risk Management

4.12.1 The Internal Audit plan has been and will continue to be subject to constant review throughout the financial year to ensure that audit resources are prioritised and directed towards the areas of highest risk. This process incorporates a review of information from a number of sources, one of these being the corporate risk register.

5 Conclusions

5.1 There are no issues identified by Internal Audit in the April to June 2013 Internal Audit Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.

6 Recommendations

6.1 Internal Audit will continue to undertake a follow up audit on audit reports with limited or no assurance opinions or where the impact has been determined as either 'Major' or 'Moderate' to ensure the revised controls are operating well in practice.

6.2 The Corporate Governance and Audit Committee is asked to note the Internal Audit Operational Plan for 2013/14.

7 Background documents

7.1 None.