

**REPORT TO THE GOVERNANCE & AUDIT COMMITTEE
MEETING OF 20th November 2014**

Status: For consideration / discussion
Title: Internal Audit – progress and performance update
Originator: Trevor Croote – Audit Manager, Welland Internal Audit Consortium.
Where from: SMT

Objective: To provide Members with an update on the progress made by the Welland Internal Audit Consortium in delivery of the 2014/15 Audit Plan.

To keep the Committee informed of areas where control weaknesses have been identified through the audit process and the management actions that have been agreed and taken to address them.

1. Outcome sought from committee

- 1.1 Members note the reported performance of internal audit and the key findings of audits completed.
- 1.2 Members are invited to suggest any amendments to the Audit Plan that they may consider necessary.

2. Background

- 2.1 Internal Audit reviews are completed in accordance with the annual internal audit plan, previously agreed by this committee. This report summarises progress against the plan up to 4th November 2014, the latest practical date for reporting to the committee.

3. Progress against the agreed 2014/15 audit plan

- 3.1 Appendix A summarises progress against the plan together with the latest available performance information. At the time of writing 47% of the amended plan has been delivered to at least draft stage and LGSS remains committed to delivering at least 90% by the end of March 2015.
- 3.3 Three audits have been finalised since the last committee (see table 1) and copies of the relevant executive summaries are provided at Appendix B.

Table 1. Audits finalised since the last meeting.		
Assignment	Audit assurance level	Appendix ref.
Harborough Innovation Centre	Substantial	B (i)
Measuring Benefits Realisation	Sufficient	B (ii)
Welfare Reform	Substantial	B (iii)

- 3.3 The Public Sector Internal Audit Standards require Audit & Governance Committee to undertake the “gate keeper” role approving changes to the audit plan only when it is satisfied that such changes do not compromise the range and level of assurance originally commissioned. The Committee has previously agreed that any proposed changes could be approved by the Head of Finance & Section 151 Officer, in consultation with the Chairman. Since the last meeting it has been agreed to cancel the audit of information sharing protocols as this area was recently covered by the 2013/14 audit of information management.
- 3.4 The resourcing requirements across the Consortium have been reviewed, included those required to deliver the remainder of Harborough District Council’s Audit Plan for 2014/15. This has identified a requirement for additional days to be commissioned from contractors to ensure delivery of all planned work. Appendix C provides details of the days and number of assignments to be delivered for the Council by 31st March 2015.
- 3.5 At this point in the year, members of the Committee may decide to review the remaining assignments on the Audit Plan to ensure these remain of value to the Council and continue to address the organisation’s key risks. Members are invited to suggest any amendments to the Audit Plan that they may consider necessary.
- 4 Outstanding recommendations
- 4.1 At the time of writing, it is only five weeks since the last Governance & Audit Committee meeting so progress against outstanding recommendations has not yet been updated. A further update will be provided at the next meeting on 12th March 2015.
- 5 Equality Impact Assessment
- 5.1 Not applicable in this context.
- 6 Conclusion
- 6.1 This report provides an update of the work undertaken and the results of the work as part of the 2014/15 audit plan.
- 7 Recommendations
- 7.1 Members note the progress and performance of the consortium.