

Report To: Corporate Governance Committee

Date of Meeting: 14 November 2012

Report Author: Head of Internal Audit Services

Title: Internal Audit Progress Report

1. What is the report about?

This report updates the Committee on the latest progress of the Internal Audit service in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement. It also proposes a revised Internal Audit Operational Plan for 2012/13.

2. What is the reason for making this report?

To bring Members up to date regarding:

- delivery of our Operational Plan for 2012/13
- a revised Operational Plan for 2012/13
- recent Internal Audit reports issued
- management's response to issues we have raised
- Internal Audit's performance

3. What are the Recommendations?

- Committee considers and comments on Internal Audit's progress and performance to date in 2012/13
- Committee considers and approves our revised Operational Plan 2012/13
- Committee considers and comments on recent Internal Audit reports issued
- Committee considers the responses to our follow up work

4. Internal Audit Progress

Delivery of the Internal Audit Operational Plan 2012/13

- 4.1. As corporate and service risks change within the Council, Internal Audit considers its strategy and operational plan to ensure that it is still relevant and addressing priority areas. Following a series of meetings with service heads, Appendix 1 includes a proposed revision to our Internal Audit Operational Plan 2012/13, along with the usual progress report.
- 4.2. The table includes the original planned days, revised planned days and explanations of any changes. It also provides a breakdown of our work during 2012/13, with assurance scores and number of issues raised for the completed reviews.

Summary of Recent Internal Audit Reports

4.3. Our reports use colours for assurance ratings as follows:

Green	High Assurance	Risks and controls well managed
Yellow	Medium Assurance	Risks identified but are containable at service level
Amber	Low Assurance	Risks identified that require meeting with Director/Lead Member
Red	No Assurance	Significant risks identified that require member / officer case conference

4.4. Since my report in September 2012, we have issued the following reports.

Audit Report	Audit Opinion	Issues Raised			Comments
		Critical Risk (Red)	Major Risk (Amber)	Moderate Risk (Yellow)	
Higher Education Student Finance	Green	0	0	1	Summary Overview Report
Revenues & Benefits Service	Green	0	0	4	
Home to School Transport	Yellow	1	2	10	Joint report with Conwy County Borough Council
Translation Service	Yellow	0	1	1	
Business Continuity Planning	Amber	0	1	0	Summary Overview Report
Strategic Human Resources	Amber	0	1	10	

Management's response to issues raised by Internal Audit

4.5. Most of our Internal Audit reports identify risks and control weaknesses. We rate these as critical, major or moderate risk. Management agrees actions to address the risks, including responsibilities and timescales.

4.6. We report all instances where management fails to respond to our follow up work or where they exceed the agreed implementation date by more than three months. This Committee decides whether it needs to take further action, for example, by calling the relevant people to its next meeting to explain lack of progress.

4.7. There are currently no actions exceeding the three-month deadline and no responses outstanding to report to this Committee.

Internal Audit Performance – Key Measures

Measure - Review 100% of agreed S151 Assurance areas in Operational Audit Plan by 31 March 2013

4.8. So far, we have completed 40% of the planned projects, with others programmed for later in the financial year.

Measure - Review 100% of agreed Corporate Governance Assurance areas in Operational Audit Plan by 31 March 2013

4.9. Work is ongoing on the Corporate Governance Framework throughout the year. We have commenced a project on Performance Management and will review risk management in the second half of the year.

Measure - Review 100% of agreed High Corporate Risk Assurance areas in Operational Audit Plan by 31 March 2013

4.10. There are currently six high risks in the Corporate Risk Register. We have completed work in two areas, work is in progress in one area and the others programmed for later in the financial year.