

**AUDIT COMMITTEE: 27 June 2016**

---

**INTERNAL AUDIT PROGRESS REPORT, 2016-17**

**REPORT OF THE HEAD OF FINANCE**

**AGENDA ITEM: 9.1**

---

**Appendix B of this report is not for publication as it contains exempt information of the description in paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972**

**Reason for this Report**

1. The Audit Committee's Terms of Reference requires that Members consider reports from the Audit Manager on Internal Audit's performance during the year e.g. progress reports.
2. Following the retirement of the Audit & Risk Manager in March 2016, the progress report has been prepared by the Head of Finance, in the absence of a new Audit Manager.
3. This report has been prepared to provide the Audit Committee Members with an update on the work of Internal Audit up to 31<sup>st</sup> May 2016, for the current financial year. As agreed with Committee previously, a full update will be provided at 6 monthly intervals.

**Background**

4. An Annual Audit Strategy/Plan is prepared each year which acts as a yardstick by which the work of Internal Audit can be measured. It is important that this allows for flexibility so that professional judgement can be applied to enable work to be prioritised over the life of the Plan in order to maximise the use of audit resources and add most value to the organisation in targeting changing risks.
5. The Audit Manager prepares quarterly briefings, and a half yearly progress report, outlining the work undertaken by the audit teams, along with key performance information.
6. The Audit and Risk Manager retired at the end of March 2016 and, during this quarter, the section has been reporting directly to the Head of Finance. In line with the provisions of the Public Sector Internal Audit Standards (1100), organisational independence is maintained as the Head of Finance reports functionally to the Audit Committee for all audit-related matters. The Head of Finance reports administratively and otherwise professionally to the Corporate Director, Resources.
7. Progress reports are discussed with the Corporate Director Resources to provide a meaningful update on the work of the team, and to give an opportunity to discuss changing priorities. This is then presented to Audit Committee.

**Issues**

8. The progress report, to 31<sup>st</sup> May 2016, is attached at Annex 1 for information.

### **Legal Implications**

9. There are no legal implications arising from this report.

### **Financial Implications**

10. There are no financial implications arising from this report.

### **RECOMMENDATIONS**

11. That the Committee note the report.

**IAN ALLWOOD**  
**HEAD OF FINANCE**

The following is attached:

**Annex 1:** Internal Audit Progress Report, 2016-17