

**INTERNAL AUDIT PROGRESS UPDATE**

**REPORT OF THE HEAD OF FINANCE**

**AGENDA ITEM: 9.1**

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**Appendix B of Annex 1 of the report is not for publication as it contains exempt information of the description in paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972**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. This report has been prepared to provide the Audit Committee Members with an update on the work of Internal Audit up to 31 December 2016, for the current financial year.

**Background**

3. An Audit Plan is prepared each year which acts as a yardstick by which the work of Internal Audit can be measured.
4. The Head of Finance prepares quarterly briefings and a half yearly progress report outlining the work undertaken by the audit teams and key performance information.
5. 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.
6. Progress reports are discussed with the Corporate Director Resources, to provide them with a meaningful update of the work of the team and to give them the opportunity to discuss changing priorities. This is then presented to Audit Committee.

**Issues**

7. The progress report to 31 December 2016 is attached at Annex 1 for information.
8. The progress report outlines the productivity performance of the Internal audit function and the position at the end of Quarter 3 in relation to the status of the audits and the assurance opinions that have been completed.
9. The progress report also identifies that 562 recommendations have been made in 64 reports issued. Whilst, 100% of the red risk recommendations have been accepted the key success factor for the Council is the number of actioned recommendations. In considering the Audit Plan for 2017/18, there will be a focus on ensuring that the actioning of audit recommendations will be captured and a priority for the Council.

### **Legal Implications**

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

### **Financial Implications**

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

### **RECOMMENDATIONS**

12. That the Committee note the report.

**IAN ALLWOOD  
HEAD OF FINANCE**

The following is attached: **Annex 1**: Internal Audit Progress Report, 2016-17