
INTERNAL AUDIT PROGRESS REPORT, 2017-18

REPORT OF THE HEAD OF FINANCE

AGENDA ITEM: 11.1

Reason for this Report

1. Audit Committee's new Terms of Reference requires that Members consider reports from the Audit Manager on Internal Audit's performance during the year.
2. This report has been prepared to provide Audit Committee Members with an update on the work of Internal Audit as at May 2017, for the current financial year.

Background

1. An Audit Plan is prepared each year, 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.
2. The Head of Finance prepares quarterly and half yearly progress reports, outlining the work undertaken by the audit teams.
3. 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.
4. Progress reports are discussed with the Corporate Director Resources, to provide a meaningful update on the work of the team and to give the opportunity to discuss changing priorities. This is then presented to Audit Committee.

Issues

5. The progress report is attached at Annex 1 for information.
6. The key issue arising from the report is that a significant amount of audit working days were lost during Q1 due to sickness absence and vacant auditor post that has not been able to be filled despite attempts to recruit externally. Short term agency solutions are being explored with a view to increasing the number of auditors available in the forthcoming period in order to have positive impact on the delivery of the audit plan going forward.

Legal Implications

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

Financial Implications

8. The use of agency will be contained within the overall budget for Internal Audit by managing the number of hours bought in externally.

RECOMMENDATIONS

9. That the Committee note the contents of the report and the proposed actions to address the shortfall in audit days.

IAN ALLWOOD
HEAD OF FINANCE

The following is attached: **Annex 1: Internal Audit Progress Report, 2017-18**