

**TEESDALE DISTRICT COUNCIL**

**Report To: AUDIT AND GOVERNANCE COMMITTEE**  
**28<sup>th</sup> July 2008**

**From:** Audit Manager

**Subject: INTERNAL AUDIT PLAN UPDATE**

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**1.0 SUMMARY**

1.1 This report updates members on the progress made against the revised internal audit plan for 2008/2009.

**2.0 RECOMMENDATION(S)**

2.1 It is recommended that Members note the progress made to date.

**3.0 LINK TO CORPORATE OBJECTIVES/KEY PRIORITIES**

3.1 Objective: To ensure effective corporate leadership

3.2 Priority: Continuously improve the delivery of our services

3.3 Outcome: Improved governance arrangements.

**4.0 BACKGROUND**

4.1 Included in the remit of this Committee is the review of Internal Audit and monitoring of work against the approved plan.

**5.0 PROGRESS MADE AGAINST AUDIT PLAN**

5.1 Provision was made in the 2008/9 plan to conclude audits that were planned to be completed in 2007/8. Of those audits carried over from last year the following reviews have been completed:

- Debtors
- IT

Reports relating to these reviews were presented to the last meeting of this Committee.

5.2 Reports relating to the Sports Centre and Legal Services, also relating to 2007/8, have been issued in draft and will be finalised shortly.

5.3 The only other outstanding review from 2007/8 relates to procurement. This is in progress and will be presented to the next meeting of this Committee.

5.4 In relation to core audit work agreed as part of the 2008/9 audit plan approved by committee on the 17<sup>th</sup> March 2008, work planned in relation to supporting the Council's performance management arrangements is complete. This work involved the review of year end Best Value Performance Indicators (BVPIs) returns to support the production of the Council's best value performance outturn for 2007/8. Performance outturn data will be included in the Council's Annual Report for 2007/8 which is currently being drafted for presentation to Council.

5.5 The following audits are in progress:

- Council Tax
- NNDR

This work is being undertaken by Durham City Council as part of the LGR agreement put in place to ensure that core audits are delivered following the reduction of in-house resources.

5.6 A summary of progress against the agreed core audit plan for 2008/9 is attached at Appendix A.

## **6.0 REVISION TO AUDIT PLAN**

6.1 As Members will recall, a block of time was set aside in the 2008/9 plan, outside of time required for core audits, as a contingency provision to deal with any issues arising from LGR. A request has been made from Durham County Council for assistance to fulfil their existing Service Level Agreement in relation to the audit and inspection of schools. This issue has been discussed with the Chief Finance Officer and it has been agreed that John Horsman will be seconded to Durham County Council for 2 days a week with effect from September. This secondment will not impact on the completion of the remainder of core audit reviews.

## **7.0 IMPLEMENTATION OF AUDIT RECOMMENDATIONS**

7.1 At the last Audit and Governance Committee meeting members requested to be advised of progress made in relation to audit recommendations. Details of the status of all 'essential' and important' ranked recommendations, arising from audit reviews carried out as part of the 2007/8 audit plan, are summarised in Appendix B attached. A summary of the status of recommendations is given below:

Complete	13
In Progress	7
Overdue	12
Not yet Due	10

7.2 All recommendations over due and in progress will be followed up and if necessary revised target implementation dates agreed and reported to the next meeting of this committee.

## **8.0 STATUTORY CONSIDERATIONS**

8.1 Financial Implications: None

8.2 Risk:

<b>Risk</b>	<b>Category</b>	<b>Implications</b>
The internal audit plan will not be completed, reducing internal audit coverage.	Service Delivery	The effectiveness of assurances given by internal audit for the preparation of the Annual Governance Statement will be reduced. The Council will be unable to demonstrate an adequate or effective system of internal audit as required in the Accounts and Audit Regulations 2003. Audit Commission would only be able to place a lower level of reliance on internal audit work.

8.3 Equality and Diversity: None

8.4 Human Resources: None

8.5 Community Safety: None

8.6 Legal Issues: None

### **Background papers:**

1. Internal Audit Annual Plan Report – Audit & Governance Committee 17<sup>th</sup> March 2008

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