

**TEESDALE DISTRICT COUNCIL**

**Report To: AUDIT AND GOVERNANCE COMMITTEE  
29 September 2008**

**From: Audit Manager, Durham County Council**

**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**

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

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

3.1 Priority: To ensure effective corporate leadership

3.2 Ambition: 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 Audits carried over from 2007/8**

5.1.1 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 since the last Committee:

- Legal Services
- Sports Centre

5.1.2 Reports relating to these reviews are presented at Appendices A and B.

**5.2 2008/9 Audits**

5.2.1 In relation to core audit work agreed as part of the 2008/9 audit plan a review of the Housing Benefits system, undertaken by Wear Valley District Council, is now complete and attached at Appendix C. Work carried out by Durham City in relation to NNDR is also complete and is attached at Appendix D

5.2.2 Durham City's review of the Council tax system is nearly complete and will be reported at the next meeting.

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

**5.3 CHANGE TO AUDIT REPORT FORMAT**

5.3.1 Members will note from the audit reports presented to Committee that the format has been revised. The main changes are summarised below:

- Audit assurance opinion – classifications have been amended to full, substantial, moderate, limited, or no assurance. Definitions are provided in the report to assist service managers and Members assess the significance of the audit opinion.
- Audit recommendations - rankings have been amended and definitions provided to assist service managers and Members assess the significance of audit recommendations.
- Action Plan - findings, associated risks and resultant recommendations are now summarised in one section of the report. This change has been made to clearly demonstrate what areas of improvements were identified, the potential risk if this area is not adequately controlled and the resultant recommendation. This revised format should make it is easier for service managers to review progress on the implementation of agreed recommendations.

**5.4 IMPLEMENTATION OF AUDIT RECOMMENDATIONS**

5.4.1 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, have been updated and are summarised in Appendix F. A summary of the current status of recommendations is given below:

Complete	31
In Progress	0
Overdue	9
Not yet due	1

**5.4.2** All recommendations over due have been referred back to the key contact to progress and explain why implementation has been delayed.

**6.0 STATUTORY CONSIDERATIONS**

6.1 Financial Implications:

6.2 Risk:

<b>Risk</b>	<b>Category</b>	<b>Implications</b>
The internal audit plan will not be complete 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 is unable to demonstrate an adequate or effective system of internal audit as required in the Accounts and Audit Regulations 2003. Audit Commission are only able to place a lower level of reliance on internal audit work.

6.3 Equality and Diversity:

6.4 Human Resources:

6.5 Community Safety:

6.6 Legal Issues:

**Background papers:**

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

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