

# Forest Heath District Council

**PERFORMANCE AND  
AUDIT SCRUTINY  
COMMITTEE**

**30 JANUARY 2014**

**PAS14/025**

(This report is not a key decision. This report has been subject to appropriate notice of publication under the Council's Access to Information Rules)

## **Report of the Cabinet Member for Resources, Governance and Performance**

### **THIRD QUARTER 2013/14 INTERNAL AUDIT PROGRESS REPORT**

#### **1. Summary and reasons for recommendation**

1.1 This report advises Members of the work undertaken by Internal Audit in November and December 2013 and also provides an update of progress made against the revised 2013/14 Internal Audit Plan approved by this Committee in November 2013.

#### **2. Recommendation**

2.1 Members are asked to note and endorse the contents of this report, including progress made against the 2013/14 Internal Audit Plan.

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### **3. How will the recommendations help us meet our strategic priorities?**

3.1 The recommendations made in this report are intended to support and enhance the Council's ability to deliver its priorities.

### **4. Key issues**

4.1 The Public Sector Internal Audit Standards require the Internal Audit Manager to report periodically to senior management and committee on Internal Audit's performance relative to its Audit Plan. Reporting should also include significant risk exposures and control issues where relevant, including fraud risks and governance issues. The Performance and Audit Scrutiny Committee is the designated committee to receive these periodic reports.

4.2 The purpose of this report is to advise Members of the work undertaken by Internal Audit in November and December 2013, and update Members on progress made against the revised 2013/14 Audit Plan (approved by this committee in November 2013).

### **5. Other options considered**

5.1 N/A

### **6. Community impact**

6.1 **Crime and disorder impact** *(including Section 17 of the Crime and Disorder Act 1998)*

6.1.1 None arising directly from this report.

6.2 **Diversity and equality impact** *(including the findings of the Equality Impact Assessment)*

6.2.1 None arising directly from this report.

6.3 **Sustainability impact** *(including completing a Sustainability Impact Assessment)*

6.3.1 None arising directly from this report.

6.4 **Other impact** *(any other impacts affecting this report)*

6.4.1 None arising directly from this report.

**7. Consultation** *(what consultation has been undertaken, and what were the outcomes?)*

7.1 No external consultation was required or undertaken in producing this report. Internal consultation is carried out with key officers during the audit process and in the production of individual internal audit reports and follow up work.

**8. Financial and resource implications** *(including asset management implications)*

8.1 There are no direct financial implications arising from this report. All internal audit recommendations must be considered in terms of their cost effectiveness.

**9. Risk/opportunity assessment** *(potential hazards or opportunities affecting corporate, service or project objectives)*

<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
Internal controls within the Council may not be efficient and effective and as a result the Council may not be identifying significant weaknesses that could impact on the achievement of the Council's priorities and/or lead to fraud, financial loss or inefficiency.	Medium	Members receive and approve the Internal Audit Plan and receive progress reports throughout the year. The Audit Plan is based on an assessment of risk for each system or operational area.  External Audit reviews the work of Internal Audit and internal control arrangements.	Low

**10. Legal and policy implications**

10.1 The provision of the Internal Audit Service allows the Council to meet its statutory obligations with regards to the Local Government Act 1972, the Local Government Finance Act 1982 and the Accounts and Audit Regulations 2011.

**11. Wards affected**

11.1 All

**12. Background papers**

12.1 N/A

**13. Documents attached**

13.1 Annex A – Overview of Internal Audit Work November – December 2013

Appendix A – Summaries of Internal Audit Reports Issued November – December 2013

Appendix B – Progress against the 2013/14 Internal Audit Plan