Informal Joint Performance and Audit Scrutiny Committee

Forest Heath
District Council

Title of Report:	**Mid-year Internal Audit Progress Report 2014/15**	
Report No:	**PAS/FH/14/001**	
Decisions plan reference:	Not applicable.	
Report to and date:	**Performance and Audit Scrutiny Committee**	26 November 2014
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Purpose of report:	This report advises Members of the work of the Internal Audit Section for the first half of 2014/15 and gives Members a flavour of the variety of corporate projects and activities which are supported through the work of the team. The report also provides an update of progress made against the 2014/15 Internal Audit Plan previously approved by this committee.	
Recommendation:	**Performance and Audit Scrutiny Committee:** Members are asked to <u>note</u> the contents of this report, including progress made against the 2014/15 Internal Audit Plan.	

Key Decision: *(Check the appropriate box and delete all those that **do not** apply.)*	*Is this a Key Decision and, if so, under which definition?* Yes, it is a Key Decision - ☐ No, it is not a Key Decision - ☒	
Consultation:	• 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.	
Alternative option(s):	• Not Applicable	
Implications:		
*Are there any **financial** implications? If yes, please give details*	Yes ☐ No ☒ There are no direct financial implications arising from this report. All internal audit recommendations must be considered in terms of their cost effectiveness.	
*Are there any **staffing** implications? If yes, please give details*	Yes ☐ No ☒ •	
*Are there any **ICT** implications? If yes, please give details*	Yes ☐ No ☒ •	
*Are there any **legal and/or policy** implications? If yes, please give details*	Yes ☒ No ☐ • 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.	
*Are there any **equality** implications? If yes, please give details*	Yes ☐ No ☒ •	
Risk/opportunity assessment:	*(potential hazards or opportunities affecting corporate, service or project objectives)*	

Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
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

Ward(s) affected:	All
Background papers: *(all background papers are to be published on the website and a link included)*	None
Documents attached:	Appendix A – Mid-year Internal Audit Progress Report 2014/15

1.   Key issues and reasons for recommendation

1.1   <u>Mid-year Internal Audit Progress Report 2014/15</u>

1.1.1   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.

1.1.2   The purpose of this report is to update Members on progress made against the 2014/15 Audit Plan (approved by this committee in May 2014), and also provide a flavour of the work undertaken in the year to date.