



## Report to Audit Committee

16 October 2013

**Title:** 2013/14 Internal Audit Plan – Progress Report

**Report of:** Chief Internal Auditor, Gateshead Council

### Purpose of Report

1. This report outlines progress made by the Internal Audit Service against the audit plan for the financial year 2013/14.

### Summary

2. The Audit Plan for 2013/14 was agreed by this Committee on 15 May 2013. Progress against the plan is detailed in the Appendix. As at 30 September 2013, four final and one draft reports have been issued and a further nine are currently in progress. The four final reports issued equates to 18% of audits planned for the year.
3. The Internal Audit Strategy 2013-16 was agreed by the Committee on 3 July 2013 and details our performance management targets. The table below sets out the current position against each target.

Performance Indicator	Actual Position at 30/09/13	Annual Target
Actual hours against planned hours achieved in 2013/14	63%	97.25%
Number of audit assignments completed against annual plan	18%	100%
Number of audit recommendations implemented	88%	75%
Audits completed within agreed time	89%	90%
Customer satisfaction levels	100%	97.5 – 99%

4. As at the 30<sup>th</sup> September 2013 63% of actual to planned hours have been completed. This is therefore well in excess of the profiled target of 48.63% of actual hours being completed by the end of quarter two and on course to achieve the annual target of 97.25%. This includes all time expended during the first two periods including audits completed in relation to the previous financial year and current year audits that are in progress.

### **Link to values**

5. This report links to the following company values: -
- Being honest, accountable and transparent
  - Being motivated, trained and committed.

### **Risk Management Implications**

6. The perceived risk of each audit is based on a thirteen point assessment taking into account such areas as materiality, complexity of the system, potential for fraud and sensitivity. Based on a score derived from the assessment, audits are categorised as high, medium and low priorities. This informs the frequency in which audits will be carried out.

### **Financial Implications**

7. The cost of the internal audit work plan is fully provided for in the 2013/14 budget.

### **Equality and Diversity Implications**

8. There are no Equality and Diversity implications associated with this report.

### **Value for Money implications**

9. The delivery of the 2013/14 audit plan and the implementation of internal audit recommendations will assist in identifying efficiencies and achieving value for money.

### **Health Implications**

10. There are no Health implications associated with this report.

### **Environmental Implications**

11. There are no Environmental implications associated with this report.

### **Impact on Customers**

12. Implementation of the recommendations will provide our customers with a better service in terms of customer care.

### **Consultation carried out**

13. The audit plan was developed following consultation with all relevant stakeholders within the Company.

### **Recommendation**

14. The views of the committee are sought on whether it is satisfied with progress to date with the 2013/14 Internal Audit Plan.

## Appendix

Internal Audit Plan 2013/14	Planned Days	Planned Report to Committee	Progress at end September 2013	Opinion
<b>CORPORATE SERVICES</b>				
1 TGHC Capital Programme	10.7	1	In Progress	
2 TGHC Counter Fraud Arrangements	6.7	1	Final Report Issued	Satisfactory
3 TGHC Performance Framework	6.7	1	Final Report Issued	Operating Well
4 TGHC Governance	5.3	1	Draft Report Issued	
5 TGHC Asbestos Management	9.3	1	Final Report Issued	Satisfactory
6 TGHC Business Continuity Arrangements	5.3	2	In Progress	
7 TGHC Human Resources	9.3	2	In Progress	
8 TGHC Complaints	6.7	2	In Progress	
9 TGHC Creditors	10.0	3		
10 TGHC Budget Setting and Monitoring	5.3	3	In Progress	
11 TGHC Main Accounting	5.3	3	In Progress	
12 TGHC Information Security Management	9.3	3	In Progress	
13 TGHC Health and Safety	4.0	3	In Progress	
14 TGHC Company Payroll	6.7	4		
15 TGHC Insurance Arrangements	3.3	4		
16 TGHC Corporate IT	1.3	4		
	<b>105.3</b>			
<b>CUSTOMERS &amp; COMMUNITIES</b>				
17 TGHC Keelman Homes	13.3	1	Final Report Issued	Satisfactory
18 TGHC Rent Arrears	20.0	2	In Progress	
19 TGHC Rent Collection	9.3	3		
20 TGHC Tenancy Allocation and Lettings	13.3	4		
21 TGHC Repairs	12.0	4		
22 TGHC Housing Establishments	12.0	4		
	<b>80.0</b>			
<b>GENERAL</b>				
TGHC Audit Committee	6.7			
TGHC General Advice, Consultancy and Systems Review	4.0			
	<b>10.7</b>			