



Report to Audit Committee

14 January 2014

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 Appendix 1. As at 31st December 2013, nine final and six draft reports have been issued and a further two audits are currently in progress.
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 31/12/13	Annual Target
Actual hours against planned hours achieved in 2013/14	93%	97.25%
Number of audit assignments completed against annual plan	9 (41%)	22 (100%)
Number of audit recommendations implemented	74%	75%
Audits completed within agreed time	90%	90%
Customer satisfaction levels	100%	97.5 – 99%

4. As at the 31st December 2013 93% of actual to planned hours have been completed. This is therefore well in excess of the profiled target of 73% of actual hours being completed by the end of quarter three and on course to achieve the annual target of 97.25%. This includes all time expended during the first three quarters 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 1

Internal Audit Plan 2013/14	Risk		Planned Days	Planned Report to Committee	Progress at end December 2013	Opinion
	Rating	Score				
CORPORATE SERVICES						
1 TGHC Capital Programme	High	258	10.7	1	Final Report Issued	Operating Well
2 TGHC Counter Fraud Arrangements	Medium	178	6.7	1	Final Report Issued	Satisfactory
3 TGHC Performance Framework	Medium	157	6.7	1	Final Report Issued	Operating Well
4 TGHC Governance	Medium	153	5.3	1	Final Report Issued	Satisfactory
5 TGHC Asbestos Management	Medium	152	9.3	1	Final Report Issued	Satisfactory
6 TGHC Business Continuity Arrangements	Medium	159	5.3	2	Draft Report Issued	
7 TGHC Human Resources	Medium	155	9.3	2	Draft Report Issued	
8 TGHC Complaints	Low	93	6.7	2	Final Report Issued	Satisfactory
9 TGHC Creditors	High	255	10.0	3	In Progress	
10 TGHC Budget Setting and Monitoring	High	250	5.3	3	Final Report Issued	Operating Well
11 TGHC Main Accounting	High	266	5.3	3	Draft Report Issued	
12 TGHC Information Security Management	Medium	195	9.3	3	Draft Report Issued	
13 TGHC Health and Safety	Medium	151	4.0	3	Final Report Issued	Satisfactory
14 TGHC Company Payroll	High	255	6.7	4	Draft Report Issued	
15 TGHC Insurance Arrangements	High	218	3.3	4		
16 TGHC Corporate IT	High	239	1.3	4		
			105.3			
CUSTOMERS & COMMUNITIES						
17 TGHC Keelman Homes	High	227	13.3	1	Final Report Issued	Satisfactory
18 TGHC Rent Arrears	High	252	20.0	2	Draft Report Issued	
19 TGHC Rent Collection	High	235	9.3	3	In Progress	
20 TGHC Tenancy Allocation and Lettings	High	270	13.3	4		
21 TGHC Repairs	High	269	12.0	4		
22 TGHC Housing Establishments	High	266	12.0	4		
			80.0			
GENERAL						
TGHC Audit Committee			6.7			
TGHC General Advice, Consultancy and Systems Review			4.0			
			10.7			

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Risk Score Categories:

High: >210

Medium: 150-210

Low: 0 - 149