



## Report to Audit Committee

16 April 2014

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

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

### Purpose of Report

1. This report outlines the year end position of 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 15th May 2013. Progress against the plan as at 31st March 2014 is detailed in Appendix 1.
3. The Internal Audit Strategy 2013-16 was agreed by the Committee on 3rd July 2013 and details our performance management targets. The table below sets out the year end position against each target.

Performance Indicator	Actual Position at 31/03/14	Annual Target
Actual hours against planned hours achieved in 2013/14	125%	97.25%
Number of audit assignments completed against annual plan	19 (86.3%)	22 (100%)
Number of audit recommendations implemented	76%	75%
Audits completed within agreed time	95%	90%
Customer satisfaction levels	100%	97.5 – 99%

4. As at 31st March 2014 125% of actual to planned hours have been completed. This is in excess of the target for the year but does include hours for audits brought forward from 2012/13. As at the year end nineteen final and two draft reports have been issued and a further one audit is currently in progress and due to be completed soon.

### 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 against the 2013/14 Internal Audit Plan.

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**Appendix 1**

Internal Audit Plan 2013/14	Risk		Planned Days	Planned Report to Committe	Progress at 31st March 2014	Opinion	
	Rating	Score					
<b>CORPORATE SERVICES</b>							
1	Capital Programme	High	258	10.7	1	Final Report Issued	Operating Well
2	Counter Fraud Arrangements	Medium	178	6.7	1	Final Report Issued	Satisfactory
3	Performance Framework	Medium	157	6.7	1	Final Report Issued	Operating Well
4	Governance	Medium	153	5.3	1	Final Report Issued	Satisfactory
5	Asbestos Management	Medium	152	9.3	1	Final Report Issued	Satisfactory
6	Business Continuity Arrangements	Medium	159	5.3	2	Final Report Issued	Satisfactory
7	Human Resources	Medium	155	9.3	2	Final Report Issued	Significant Weakness
8	Complaints	Low	93	6.7	2	Final Report Issued	Satisfactory
9	Creditors	High	255	10.0	3	Final Report Issued	Operating Well
10	Budget Setting and Monitoring	High	250	5.3	3	Final Report Issued	Operating Well
11	Main Accounting	High	266	5.3	3	Final Report Issued	Satisfactory
12	Information Security Management	Medium	195	9.3	3	Final Report Issued	Satisfactory
13	Health and Safety	Medium	151	4.0	3	Final Report Issued	Satisfactory
14	Company Payroll	High	255	6.7	4	Final Report Issued	Satisfactory
15	Insurance Arrangements	High	218	3.3	4	Final Report Issued	Operating Well
16	Corporate IT	High	239	1.3	4	Final Report Issued	Satisfactory
				<b>105.3</b>			
<b>CUSTOMERS &amp; COMMUNITIES</b>							
17	Keelman Homes	High	227	13.3	1	Final Report Issued	Satisfactory
18	Rent Arrears	High	252	20.0	2	Final Report Issued	Satisfactory
19	Rent Collection	High	235	9.3	3	Final Report Issued	Operating Well
20	Tenancy Allocation and Lettings	High	270	13.3	4	Draft Report Issued	
21	Repairs	High	269	12.0	4	In progress	
22	Housing Establishments	High	266	12.0	4	Draft Report Issued	
				<b>80.0</b>			
<b>GENERAL</b>							
	Audit Committee			6.7			
	General Advice, Consultancy and Systems Review			4.0			
				<b>10.7</b>			

<b>TOTAL DAYS</b>	<b>196</b>
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<p><b>Risk Score Categories:</b>          High: &gt;210          Medium: 150-210          Low: 0 - 149</p>
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