



## Report to Audit Committee

30 June 2014

**Title:** 2014/15 Internal Audit Plan – Progress Report

**Report of:** Chief Internal Auditor

### Purpose of Report

1. This report outlines progress made by the Internal Audit Service against the audit plan for the financial year 2014/15.

### Summary

2. The Audit Plan for 2014/15 was agreed by this Committee on 16 April 2014. Progress against the plan is detailed in Appendix 1. As at 17<sup>th</sup> June 2014, three draft reports have been issued and one further audit is currently in progress.
3. The Internal Audit Strategy 2013-16 was agreed by the Committee on 16 April 2014 and details our performance management targets. The table below sets out the current position against each target.

Performance Indicator	Actual Position at 31/5/14	Annual Target
Number of audit assignments completed against annual plan	0 (0%)	19 (95%)
Number of audit recommendations implemented	n/a	90%
Audits completed within agreed time	n/a	90%
Draft reports agreed and returned within 2 weeks	n/a	90%

### Link to values

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

### **Risk Management Implications**

5. 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**

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

### **Equality and Diversity Implications**

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

### **Value for Money implications**

8. The delivery of the 2014/15 audit plan and the implementation of internal audit recommendations will assist in identifying efficiencies and achieving value for money.

### **Health Implications**

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

### **Environmental Implications**

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

### **Impact on Customers**

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

### **Consultation carried out**

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

### **Recommendation**

13. The views of the committee are sought on whether it is satisfied with progress to date with the 2014/15 Internal Audit Plan.

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Internal Audit Plan 2014/15	Risk		Planned Hours	Planned Report to Committee	Progress at 17th June 2014	Opinion
	Rating	Score				
<b>Fundamental Financial Systems</b>						
1 Budget Setting and Monitoring	250	High	40	15 October 2014		
2 Capital Programme	258	High	75	15 October 2014		
3 Creditors	251	High	70	13 January 2015		
4 Company Payroll	255	High	50	13 January 2015		
5 Main Accounting	266	High	40	13 January 2015		
6 Insurance Arrangements	219	High	35	April 2015		
7 Rent Arrears	255	High	160	April 2015		
8 Rent Collection	233	High	70	April 2015		
			<b>540</b>			
<b>Corporate Governance</b>						
9 Risk Management	185	Medium	60	15 October 2014		
			<b>60</b>			
<b>Other Strategic and Operational Risks</b>						
10 VAT Procedures	157	Medium	30	30 June 2014	In Progress	
11 Leaseholder Service Charges	160	Medium	50	30 June 2014	Draft Report Issued	
12 Human Resources	168	Medium	20	30 June 2014	Draft Report Issued	
13 Communications	112	Low	50	30 June 2014	Draft Report Issued	
14 Void Management	177	Medium	100	15 October 2014		
15 Gas Servicing	198	Medium	40	15 October 2014		
16 Access Management - IT Audit	149	Low	60	13 January 2015		
17 Tenancy Allocation and Lettings	270	High	100	April 2015		
18 Housing Establishments	266	High	90	April 2015		
19 Repairs	269	High	90	April 2015		
20 Corporate IT	239	High	10	April 2015		
			<b>640</b>			
<b>General</b>						
General Advice, Consultancy and Systems Review			40			
Audit Committee			30			
			<b>70</b>			

<b>TOTAL HOURS</b>	<b>1,310</b>
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**Risk Score Categories:**

High: >210  
Medium: 150-210  
Low: 0 - 149