
REPORT TO:	AUDIT SUB COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	22nd FEBRUARY 2012	CATEGORY: RECOMMENDED
REPORT FROM:	CHIEF EXECUTIVE	OPEN
MEMBERS' CONTACT POINT:	CHIEF FINANCE OFFICER KEVIN STACKHOUSE (01283 595811) <u>kevin.stackhouse@south-derbys.gov.uk</u>	DOC: u/ks/audit committee/doc report cover
SUBJECT:	INTERNAL AUDIT: QUARTERLY REPORT AND UPDATE	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: AS 02

1.0 Recommendations

- 1.1 That the report of the Audit Manager is considered and any issues referred to the Finance and Management Committee.

2.0 Purpose of Report

- 2.1 To provide an update on progress against the approved Internal Audit Plan for 2011/12. This details the performance and activity of Internal Audit over the year to-date and in particular and sets out where resources are to be utilised over the remainder of the financial year.

3.0 Detail

- 3.1 This is the first audit report since the Council became part of the Central Midlands Audit Partnership. The Partnership was officially implemented on 1st January 2012 and is currently in a transitional period.
- 3.2 However, audit work has still continued with existing staff from the Council and the wider Partnership base at Derby City Council, continuing to progress the Council's audit plan.
- 3.3 The report attached, from the Audit Manager of the Partnership, details audits undertaken and work in progress since that reported to the Committee in December 2011. It also confirms work completed overall since 1st April 2011.
- 3.4 There continues to be some slippage on the overall programme which was evident before the formation of the Partnership. Work during the transitional stage is focusing on the fundamental financial system audits that are required to satisfy external audit requirements and to ensure that potentially higher risk areas are covered.

- 3.5 Some work on local systems which are seen as a low risk are being put back to compensate.
- 3.6 However, once the new arrangements have bedded in over the coming weeks, full coverage will be resumed and the Council will begin to benefit from having access to a wider resource base.
- 3.7 A detailed Audit Plan for 2012/13 will be reported to the Committee at its meeting in April. During this period, the audit plan will be refocused and some of the days originally planned and not utilised in 2011/12 will be reviewed.
- 3.8 This relates in particular to the days set-aside for more strategic audit work around value for money, risk management and corporate governance, etc. An analysis of the approved plan for the year with a comparison to the expected out-turn, is detailed in **Appendix 1**.

4.0 Financial Implications

- 4.1 None directly.

5.0 Corporate Implications

- 5.1 None directly.

6.0 Community Implications

- 6.1 None directly.

7.0 Background Papers

- 7.1 None