

## **TELFORD & WREKIN COUNCIL**

**AUDIT COMMITTEE 17th JUNE 2008**

**INTERNAL AUDIT UPDATE ON QUARTER 4 (JANUARY – MARCH 2008)**

**JOINT REPORT OF THE HEAD OF AUDIT AND DEMOCRACY and AUDIT & RISK  
MANAGER**

### **1 PURPOSE**

- 1.1 To update members on the work of Internal Audit during quarter 4 – January – March 2008.

### **2 RECOMMENDATIONS**

- 2.1 That Members of the Audit Committee note the update on quarter 4 work.

### **3 SUMMARY**

- 3.1 The Audit Committee receives a quarterly update of the work of Internal Audit. This is the update report for quarter 4 January – March 2008.

### **4 PREVIOUS MINUTES**

- 4.1 Standards & Audit Committee 29<sup>th</sup> January 2008 (Quarter 3 Update Report).

### **5 INFORMATION – QUARTER 4 UPDATE (JANUARY – MARCH 2008)**

- 5.1 This section of the report provides information on the work of Internal Audit during January to end of March 2008 and provides an update on the progress of previous audit reports issued (January to December 2007).
- 5.2 Internal Audit activity during this period has particularly focussed on completion of the fundamental audits, completion of the planned Primary Financial Management Standard in Schools assessments and planning for 2008/09 (Internal Audit Plan and Business Plan 2008/09).
- 5.3 There are no issues to bring to the attention of members of the Committee. The appropriate management teams have agreed action plans and have commenced implementation for the 3 amber reports summarised in Appendix D. Internal Audit are confident that the controls have and will continue to improve in these areas but will report back after follow up, if required.
- 5.4 Internal Audit reported last year that all Secondary Schools met the Financial Management Standard in Schools (a new government requirement). Primary schools have been introduced on a phased basis from April 2007. All those visited during 2007/08 have also met the standard.

5.5 Information has been attached to the report as the following appendices:

- i) Appendix A – List of final reports issued with our grading – red, amber, yellow or green and any appropriate comment on internal controls.
- ii) Appendix B – List of all work undertaken for quarter 4 of 1 day or more.
- iii) Appendix C- Previous graded reports from January to December 2007 and their current status.
- iv) Appendix D – Further information for the amber reports.

## **6 OTHER CONSIDERATIONS**

<b>AREA</b>	<b>COMMENTS</b>
Equal Opportunities	All members of Audit Services have attended equal opportunities/diversity training. If any such issues arose during an audit they would be notified to the appropriate manager.
Environmental Impact	Such issues would be notified to the appropriate manager during or immediately following the audit.
Legal Implications	Audit Services classify recommendations as either Statutory, Financial regulation, Policy/Procedure or Best Practice. This means that where service areas are not operating within statutory requirements there is an obligation to implement the recommendations as soon as possible. These recommendations are followed up within 6 months. Audit Services can only, within their resource constraints provide reasonable assurance (rather than “absolute assurance”) to the authority upon the operation of controls.
Links with Corporate Priorities	The audit plan is linked to corporate priorities via the risk management process. Where high risks are identified then Audit Services undertakes work on a more regular basis.
Risks and Opportunities	The role of internal audit includes a review of the controls in place to manage the risks within service areas. The reports produced assist the Council in improving systems and controls (reducing risks) and therefore the delivery of services and achievement of objectives. In addition Internal Audit have reviewed the Council’s risk management process during the year and concluded that it is operating effectively
Financial Implications	Audit Services operated within budget 2007/08 with a small under spend due to a delay in filling a vacant post. Where recommendations are made by Audit Services, if possible, cost implications are identified.
Ward Implications	Internal Audit is responsible for the internal audit of all the Council’s activities and at all Council locations. They therefore operate within all Council Wards.

## **7 BACKGROUND PAPERS**

Annual Audit Plan 2007/08

Report by Jenny Marriott, Audit & Risk Manager 383101