

A23. Internal Audit Progress Report

The Committee considered a report by the Internal Audit Risk and Corporate Fraud Manager setting out progress in completing the 2018/19 Internal Audit Plan.

The Plan had originally set out 23 assignments. An additional assignment had since been included, and completed. This was in regard to Revenues and Benefits Data Handling and Bulk Mailing. A review of the Council of the Future Board's scrutiny of programme and project would also be undertaken towards the end of 2018/19. To date 6 assignments had been completed with a further 8 in progress.

At the meeting in June 2018 (ref AC13), the Internal Audit Manager had undertaken to review the set of key performance indicators by which Internal Audit performance was measured. They were:-

- Complete 85% of agreed audits.
- Have 90% of recommendations accepted.
- Spend 75% of time on direct audit work.
- Issue 75% of draft reports within 3 weeks of completion of fieldwork.
- Complete (to issue of final report) 75% of main audits within budget.

Following review a revised set were now proposed:-

- Complete 85% of agreed assignments;
- Issue 85% of draft reports within 3 weeks of completion of fieldwork;
- Have 95% of recommendations accepted by management; and
- Demonstrate via annual self assessment that the section operates in compliance with PSIAS.

In response to a question in regard to the audit of building security and the limited assurance awarded, the Internal Audit Manager confirmed that the Corporate Risk Management Group would oversee improvement actions to address the findings. In addition revised guidelines would be prepared and issued.

At the meeting in June 2018 (ref AC12) the External Auditor had confirmed that he considered the grading of Audit recommendations to be good practice and that this had been commended to the Council's Internal Audit function.

Following a question from the Committee, the Internal Audit Manager confirmed that he had agreed with the Auditors' recommendation and having taken the opportunity to review and benchmark, would provide an update on recommendations for grading audit findings in the next Internal Audit progress report.

Decision

The Committee:-

- (1) noted progress being made with completing the 2018/19 Internal Audit Plan, and**
- (2) agreed the revised set of Key Performance Indicators set out in the report.**