

AUDIT & RISK COMMITTEE

Date 8th May 2012

INTERNAL AUDIT PERFORMANCE REPORT

Report of the Head of Welland Internal Audit Consortium

CORPORATE AIM	All
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1. PURPOSE OF THE REPORT

- 1.1 To allow Members to monitor the performance of the Consortium in delivering the Council's internal audit service.

2. RECOMMENDATIONS

- 2.1 **That Members consider whether there are any aspects of the Consortium's performance that require further explanation**

3. PROGRESS WITH THE PLAN

- 3.1 Appendix A and the associated papers provide an analysis of progress against plan as well as a broader analysis of the Consortium's performance. The report analyses performance for the year ended 31 March 2012.

4. KEY PERFORMANCE ISSUE

- 4.1 As previously reported, the Consortium's performance has been affected by a series of staffing issues including: the resignation of the Audit Manager and subsequently of an Audit Assistant who followed him to take up a post in the private sector; the resignation of an Auditor following 12 weeks of sickness absence; and maternity leave. The Welland Board approved the use of the budget savings arising from the various vacancies to engage consultants with a view to delivering the fundamental financial audit and as much of the remaining audit plan as

possible with the budget constraints. 74% of the planned audit work had been delivered by the 31 March 2012.

- 4.2** The Welland Internal Audit Board considered progress against plan at its January meeting and determined that further action was required, to ensure that an appropriate range and level of assurance can be provided to all five clients for 2011/12. It determined that the remainder of the savings arising from unfilled vacancies should be transferred to the existing earmarked reserve at the year-end; and that consultants be re-engaged over the period April-May 2012 to allow for the completion of the 2011/12 Plans without compromising delivery of the Plans for 2012/13.
- 4.3** This action has been implemented and there are a number of contractors working on completing audits from the 2011/12 Audit Plan to ensure adequate coverage is delivered to enable a robust internal audit opinion to be determined.
- 4.4** Significant work is taking place to implement a new Audit Team structure which should help address resource issues and improve resilience in 2012/13.

RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Low	The report does not prompt or require any time-bound response
Viability	Low	There are no resourcing issues arising
Finance	Low	There are no financial issues arising
Profile	Low	There is generally minimal public interest in the performance of internal audit
Equality and Diversity	Low	EIA screening indicates no issues arising therefore full Impact Assessment has not been carried out.

Background Papers
None

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A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.