



Audit & Governance Committee
27 September 2018

**INTERNAL AUDIT PROGRESS REPORT – QUARTER 1
(01/04/18 – 30/06/18)**

SUMMARY AND PURPOSE:

The purpose of this progress report is to inform Members of the work completed by Internal Audit between 1 April 2018 and 30 June 2018.

The current annual plan for Internal Audit is contained within the Internal Audit Strategy and Annual Plan 2018-19, which was approved by Audit and Governance Committee on 12 April 2018.

This progress report also includes, at Appendix C, a revised Audit Charter updated following the external assessment of Orbis Internal Audit by the South West Audit Partnership. It contains a revision at paragraph 6 relating to the appointment and removal of the Chief Internal Auditor.

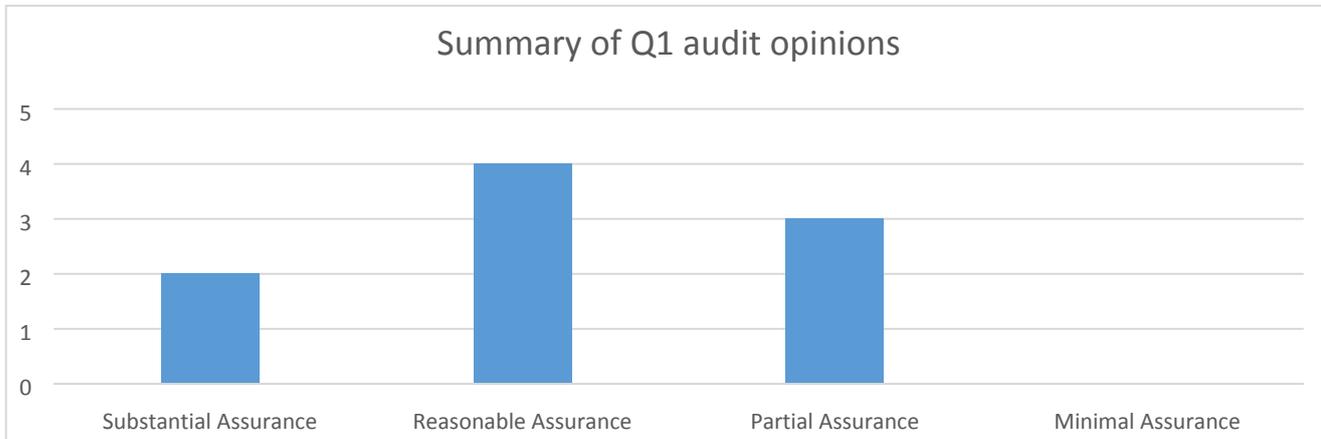
RECOMMENDATIONS:

The Audit and Governance Committee is asked to:

- a) note the report and consider any further action required in the response to issues raised.
- b) agree the revision within the Audit Charter at Appendix C.

BACKGROUND:

1. Key audit findings from final reports issued during Quarter 1 are summarised in Appendix A.
2. Reviews completed in this quarter included a mixture of planned and unplanned audits, grant certification work, and irregularity work. Overall, of the 9 formal audits finalised during the quarter (excluding grant and irregularities), 2 received 'substantial assurance'; 4 received 'reasonable assurance' and 2 received 'partial assurance'. There were no opinions of 'minimal assurance'.



3. Formal follow up reviews continue to be carried out for all audits where 'minimal assurance' opinions have been given and for higher risk areas receiving 'partial assurance'. One follow-up review of Unaccompanied Asylum Seeking Children was completed in the quarter: this resulted in an opinion being revised from reasonable assurance to partial assurance due to a high priority recommendation not being implemented as expected. More detail is given in Appendix A.
4. Members will recall that flexibility was built into the audit plan to allow resources to be directed to any new and emerging risks. We continue to liaise with departments to identify these, and also bring them to the attention of the Corporate Leadership Team. Details of those reviews added and removed from the plan so far this year are set out at the end of Appendix A.
5. Appendix A also provides details of counter fraud investigations completed, information on the tracking of high priority actions and progress against our performance targets.

IMPLICATIONS:

6. Financial;
Equalities;
Risk management; and
Value for money
7. There are no direct implications (relating to finance, equalities, risk management or value for money) arising from this report. Any such matters highlighted as part of the audit work referred to in this report, would be progressed through the agreed Internal Audit Reporting and Escalation Policy

WHAT HAPPENS NEXT:

8. See Recommendations above.

**REPORT AUTHOR: Russell Banks, Orbis Chief Internal Auditor
David John, Audit Manager (Surrey County Council)**

CONTACT DETAILS:

telephone: 01273 481447 e-mail: Russell.banks@eastsussex.gov.uk

telephone: 020 8541 7762 e-mail: david.john@surreycc.gov.uk

Sources/background papers: Internal Audit Strategy and Annual Audit Plan 2018/19.

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