



# ISLINGTON

FINANCE DEPARTMENT  
222 Upper Street, London N1 1XR

Report of: **Director of Finance**

Meeting of	Date	Agenda Item	Ward(s)
Corporate Services Committee	26 May 2005	C1	
Standards Committee	11 <sup>th</sup> July 2005	5	

Delete as appropriate	Non exempt	
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## **Subject: Progress against Internal Audit Plan 2004/05 including Annual Report**

### **1. Synopsis**

- 1.1 The provision of a continuous internal audit service assists the Council in providing assurance on the control environment that supports the delivery of the Council's One Islington Strategy.
- 1.2 This paper reports on the progress of work currently detailed in the 2004/05 audit plan and also provides summary information on those reports finalised between January and March 2005.

### **2. Recommendation**

- 2.1 To note the content of this report and the information provided in the appendices.

### **3. Background**

- 3.1 At the Corporate Services Committee on 26 November 2004, it was agreed that quarterly progress reports be provided on delivery of the audit plan along with information in response to recommendations.

- 3.2 Attached at Appendix A is the Internal Audit Annual Report for 2004/05. This shows that a total of 165 reports were issued in 2004/05.
- 3.3 Appendix B summarises the position as regards the status of work, as at end of March 2005, included within the 2004/05 annual audit plan. At the end of each audit, an assurance rating is given to managers as part of the final audit report. There are 4 categories of ratings covering Substantial, Reasonable, Limited or No Assurance.

- 3.4 A summary of the overall rating position for 2004/05 is:

Substantial	15
Reasonable	99
Limited	49
No Assurance	2
Total	165

The overall position is, therefore, that 69% of projects were rated as Reasonable or Substantial. Assurances have been received that management have or are taking action on the control issues raised in reports with Limited or No Assurance.

- 3.5 Appendix C explains the definitions for these Audit Assurance Ratings

## **4. Implications**

### **4.1 Financial Implications**

- 4.1.1 The programme of audit work was met from within the existing Internal Audit revenue budget.

### **4.2 Legal Implications**

- 4.2.1 The Council has a duty to maintain an adequate and effective system of internal audit in accordance with proper internal audit practices (regulation 6 Accounts and Audit Regulations 2003). Due regard must be had by the Council to the CIPFA code of practice for internal audit. Any officer or member must supply necessary documents and other records and provide any necessary information and explanation required in the course of an internal audit.

### **4.3 Equality Implications**

- 4.3.1 Client satisfaction survey forms are issued with each piece of completed audit work and contain a section where the client can indicate if any equality issues were, or needed to be, addressed. This procedure has been in place for the past four years and no survey has ever indicated that an equality issue required addressing.

## **5. Conclusion and reasons for recommendations**

- 5.1 This report indicates the level of work being undertaken by Internal Audit to provide assurance that the Council's control environment is being regularly reviewed.
- 5.2 Further reports will follow at quarterly intervals.

Final Report Clearance

Signed by \_\_\_\_\_ Date \_\_\_\_\_  
Director of Finance

Received by \_\_\_\_\_ Date \_\_\_\_\_  
Head of Scrutiny and Democratic Services

**Lead Officers:** John Jones, Interim Director of Finance

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**Background Papers:** Risk Registers, Internal Audit Reports

**Date:** 12 May 2005