

Audit and Corporate Governance Committee Report



Report of Audit Manager

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To: Audit and Corporate Governance Committee

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AGENDA ITEM 4

Internal Audit Management Report Quarter 3

Purpose of Report

1. The purpose of this report is:

- to report on management issues
- to summarise the progress of internal audit against the 2007/2008 audit plan
- to summarise the priorities and planned audit work for 2007/2008 quarter 4.

2. The Committee is asked to note the report.

Background

3. The CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 states that the Head of Internal Audit should prepare a risk-based audit plan, which should outline the assignments to be carried out and the broad resources required to deliver the plan.

4. The CIPFA Code also states that the Audit Committee should approve the annual Internal Audit Plan and monitor progress against the plan.

Management Issues

5. The internal audit section has successfully harmonised the audit approach and audit working papers, and has completed the rationalisation and merging of the electronic and paper filing systems. Meetings are now being set up with all managers to introduce the new audit approach and to commence the audit planning for 2008/2009.
6. Due to an auditor staff vacancy from the 11th September 2007, internal audit had to undertake a recruitment process. A positive response was received internally and externally following the advertisement being placed and 6 candidates were short listed. An offer has been accepted and it is hoped the successful candidate will commence on the 2nd January 2008.
7. Sandwith Ltd (external consultants contracted to supplement the internal audit function) will be joining the section from November to February. With this assistance, internal audit is on track to complete the planned audits schedule.

Progress against the 2007/2008 Audit Plan

8. Progress against the approved audit plan has been calculated for the quarter and for the year to date, and is summarised in **Appendix A** attached.
9. 48.5% of work completed in the period (48.5% YTD) was chargeable (i.e. the work has an identifiable 'client'). During the period, 35% of work completed was non-chargeable (31.5% YTD), and 16.5% was lost days (20% YTD). It was expected that in the % of time spent on non-chargeable work in the period would increase due to the completion of the harmonisation of the shared service, however, it is anticipated that this should fall significantly in the last quarter.
10. As at the 16th November 2007, the status of audit work completed is as follows:

	Planned	Complete	Draft	In progress	Outstanding
Planned Reviews	49	11	6	8	24
Unplanned Reviews	9	5	0	2	2

11. Overall, the percentage of chargeable work completed to date is still below the estimated target of 63%. However, now that the harmonisation process is complete, internal audit are focused and remain confident that the target can be met and all planned audit work will be completed by the year end. The Audit Manager will continue to monitor progress against the plan.

Priorities for 2007/2008 Quarter 4 (January 2008 – March 2007)

12. The main priority for the remainder of Quarter 3 and Quarter 4 is to focus on the completion of the planned audit schedule, and to commence the audit planning process for 2008/2009.

13. Planned audit work which is currently ongoing in quarter 3 and has been scheduled for quarter 4 is as follows:

Quarter 3

Joint Audits	SODC Audits	VWHDC Audits
Council Tax	Bank Reconciliation	Benefit Counter Fraud
Creditor Payments	Budgetary Control	Homelessness & Temporary Acc
ICT	Didcot Wave & Leisure	ISO Audit
Payroll	Housing Development	Main Accounting
Proactive Anti-Fraud	Planning Control	Rent Accounting
Sundry Debtors	Waste Management	
Treasury Management		

Quarter 4

Joint Audits	SODC Audits	VWHDC Audits
Capital Accounting	Bank Contract	Abingdon LSP
Concessionary Fares	BCP	Affordable Housing
Data Protection	Cleansing Service	Discretionary Grants
Elections	Dog Control	Oxfordshire Waste Partnership
Finance PIR	Electoral Registration	Land & Property
Housing & Council Tax	Housing Allocations	White Horse LC Contract

NNDR		
Revenues PIR		

PLANNED AUDITS 2007/2008

APPENDIX 1

Joint Audits		SODC Audits		VWHDC
System Name	Progress	System Name	Progress	System Name
Capital Accounting	Outstanding Q4	Bank Contract and Arrangements	Outstanding Q4	Abingdon LSP
Concessionary Fares	Outstanding Q4	Bank Reconciliation	Draft out	Affordable Hou
Council Tax	Draft out	Budgetary Control	In progress	Benefit Counte
Creditors Payments	In progress	Building Control (inclu. Dangerous Structures)	Completed	Cash
Data Protection	Outstanding Q4	Business Continuity Planning	Outstanding Q4	Discretionary C
Elections	Outstanding Q4	Cleansing Service	Outstanding Q4	Environmental
Finance PIR	Outstanding Q4	Didcot Wave & Didcot Leisure Centre Contract	Draft out	Excess Charge
Housing & Council Tax Benefits	Outstanding Q4	Dog Control	Outstanding Q4	Health & Safet
ICT	In progress	Electoral Registration	Outstanding Q4	Homelessness
NNDR	Outstanding Q4	Housing Development	Outstanding Q3	IA role for exte
				Oxfordshire W
Payroll (inclu. PIR)	In progress	Land Charges	Completed	Insurance
Proactive Anti-Fraud	Outstanding Q3	Officers Travelling & Subsistence Expenses	Completed	ISO Audits
Revenues - PIR	Outstanding Q4	Planning Control	Draft out	Land & Proper
Sundry Debtors	In progress	Waste Management	Outstanding Q4	Main Accountin
Treasury Management	In progress	Housing Allocations	Outstanding Q3	Recycling
				Refuse & Stree
				Rent Accountin
				SOLL Leisure
				White Horse L

UNPLANNED WORK 2007/2008

Consultancy		System Development		Cor
Review Name	Progress	Project Name	Progress	Rev
Joint – Anti Fraud and Corruption	Outstanding Q4	None.		SODC
Joint – Corporate Governance	Outstanding Q4			SODC
Joint – Risk Management	In progress			SODC
SODC – Tender Review	In progress			SODC
				VWHD