

Audit and Corporate Governance Committee Report



Listening Learning Leading

Report of Audit Manager

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To: Audit and Corporate Governance Committee

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AGENDA ITEM NO 8

Internal Audit Management Report Quarter 1 2008/2009

Purpose of Report

1. The purpose of this report is:
 - to report on management issues
 - to summarise the progress of internal audit against the 2008/2009 audit plan up to the 16th June 2008.
 - to summarise the priorities and planned audit work for quarter 2 2008/2009.
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. This Committee approved the annual Internal Audit Plan on the 5th March 2008.

Management Issues

5. The Auditor based at VWHDC from the 2nd January 2008, handed in his notice in April 2008 to take up a position in London. The position was re-advertised and the post was filled on the 2nd June 2008.
6. Mazars have been appointed as the contractors to supplement the in-house team. They have been allocated 60 days from the annual audit plan 2008/2009, and commenced their first planned audit on the 16th June 2008. A working protocol has been agreed with Mazars to ensure a consistent approach, and their performance in accordance with the contract will be monitored by the Audit Manager.

Progress against the 2008/2009 Audit Plan

7. Progress against the approved audit plan has been calculated for the quarter up to the 16th June 2008 and year to date and is summarised in **Appendix 1** attached.
8. Performance figures are as follows:

	Target	YTD	Q4 07/08	Q1 08/09	Q2	Q3
Chargeable	71.5%	65%	54%	65%	-	-
Non-Chargeable	10%	14%	21%	14%	-	-
Lost	18.5%	21%	25%	21%	-	-

9. The significant sickness absence incurred by the section within quarter 4 2007/2008 is no longer a factor and good progress against individual quarterly plans is being made by each member of the section. 9 planned audits were in progress at the year end, but all 2007/2008 work has now been completed/issued in draft and the section is on track with 2008/2009 planned audit work. There has been a significant reduction in the level of time spent on non-chargeable work within quarter 1, which will have a positive impact on the level of chargeable work once annual leave is utilised through the year. The Audit Manager remains confident the targets can be achieved.

10. As at the 16th June 2008, the status of audit work is as follows:

	Planned	Complete	Draft	In progress	To commence
PLANNED	50	0	2	10	38
Joint	35	0	0	8	27
SODC	7	0	1	0	6
VWHDC	8	0	2	1	5
ADHOC	1	1	0	0	0
Joint	0	0	0	0	0
SODC	1	1	0	0	0
VWHDC	0	0	0	0	0
FOLLOW - UP	40	7	0	0	33
Joint	11	0	0	0	11
SODC	13	1	0	0	12
VWHDC	16	6	0	0	10

Priorities for 2008/2009 Quarter 2 (July 2008 – September 2008)

11. The priority for quarter 2 is:

- to complete a self-assessment of the section against the CIPFA requirements and draft an improvement action plan;
- to review Internal Audit's presence on the Councils' intranet and internet;
- to develop a money laundering training programme.

12. Planned audit work which is currently ongoing and has been scheduled for quarter 2 is as follows:

Joint Audits	SODC Audits	VWHDC Audits
Brown Bins Gifts & Hospitality Out of Hours Arrangements Petty Cash Receipt of Income Arrangements Risk Management SOLL Leisure Anti-Fraud & Corruption Policy Contract Monitoring Council Charges Creditor Payments Payroll Stock Control Sundry Debtors Treasury Management	Car Park Income Complaints Process Concessionary Fares	Business Continuity Planning DSO Gazatteer Unit Rent Accounting Tender Process

PLANNED AUDITS 2008/2009
APPENDIX 1

System Name	Status	Audit Allocation	Total Days Used	Exception Issues	Audit Opinion	No. of Recs	High	No. Agreed	Medium	No. Agreed	Low	No. Agreed	Total Not Agreed
JOINT													
Academy SODC VWHDC	Outstanding Q3	20											
Agresso SODC VWHDC	Outstanding Q3	20											
Anti-Fraud and Corruption Policy SODC VWHDC	TOR Sent	20											
Brown Bin Scheme SODC VWHDC	In Progress	20											
Budgetary Control SODC VWHDC	Outstanding Q4	20											
Capital Accounting SODC VWHDC	Outstanding Q3	20											
Consultation (Public and Staff) SODC VWHDC	TOR Sent	20											
Contract Monitoring SODC VWHDC	Outstanding Q2	20											
Corporate Governance SODC VWHDC	Outstanding Q3	20											
Council Charges SODC VWHDC	Outstanding Q2	20											
Council Tax SODC VWHDC	Outstanding Q3	20											
Creditor Payments SODC VWHDC	Outstanding Q2	20											
Disaster Recovery SODC VWHDC	Outstanding Q4	20											

Emergency Planning SODC VWHDC	Outstanding Q4	20												
Freedom of Information SODC VWHDC	Outstanding Q3	20												
General Ledger SODC VWHDC	Outstanding Q3	20												
Gifts and Hospitality SODC VWHDC	In Progress	10												
GIS SODC VWHDC	Outstanding Q3	10												
Housing & Council Tax Benefits SODC VWHDC	Outstanding Q3	20												
Human Resources SODC VWHDC	Outstanding Q4	20												
ICT SODC VWHDC	Outstanding Q3	20												
Internal Recharges SODC VWHDC	Outstanding Q4	20												
NNDR SODC VWHDC	Outstanding Q3	20												
Out of Hours Arrangements SODC VWHDC	In Progress	20												
Payroll SODC VWHDC	Outstanding Q2	20												
Petty Cash Procedures SODC VWHDC	In Progress	10												
Petty Cash Spot Checks SODC VWHDC	In Progress	6												
Performance Management SODC VWHDC	Outstanding Q4	16												
Post Room SODC VWHDC	Outstanding Q4	20												
Receipt of Income Arrangements SODC VWHDC	In Progress	20												

Risk Management SODC VWHDC	In Progress	20												
SOLL Leisure SODC VWHDC	In Progress	20												
Stock Control SODC VWHDC	TOR Sent	20												
Sundry Debtors SODC VWHDC	Outstanding Q2	20												
Treasury Management SODC VWHDC	Outstanding Q2	20												
SODC														
Car Park Income	Outstanding Q2	10												
Complaints Process	TOR Sent	10												
Concessionary Fares	TOR Sent	10												
Didcot Arts Centre	Outstanding Q4	15												
Licensing	In Progress	10	8.5											
Pest Control	Outstanding Q3	10												
Tourism (Marketing Contract)	Outstanding Q4	10												
VWHDC														
Bar Management	Draft Out	10	8.5											
Business Continuity Planning	In Progress	10												
DSO	Outstanding Q2	8												
Gazatteer Unit	Outstanding Q2	7												
Guildhall	Draft Out	10	7.5											
Oxfordshire Waste Partnership	Outstanding Q3	10												
Rent Accounting	TOR Sent	10												
Tender Process	TOR Sent	10												
TOTALS	-	812	24.5		Full									
					Satisfactory									
					Limited									
					Nil									

FOLLOW UP AUDITS 2007/2008

System Name	Total Days Used	Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
Building Control	0.5	Satisfactory	3	1	2	0	0
VWHDC							
Refuse Collection and Street Cleansing	1	Satisfactory	8	3	2	3	0
Recycling	1.5	Satisfactory	12	5	3	4	0
Excess Charges	0.5	Good (now Full)	2	2	0	0	0
Health and Safety	2	Satisfactory	17	10	5	2	0
Insurance	1	Satisfactory	5	1	0	4	0
Cash	1	Satisfactory	23 (14 review in 08/09 work, 9 followed up)	7	0	2	0
SOLL Leisure	0.5	Satisfactory	6	6	0	0	0
Environmental Protection	0.5	Good (now Full)	4	3	1	0	0
TOTALS	8	-	63	37	11	15	0

FOLLOW UP AUDITS 2008/2009

System Name	Total Days Used	Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
-	-	-	-	-	-	-	-
VWHDC							
-	-	-	-	-	-	-	-
TOTALS							

UNPLANNED WORK 2008/2009

CONSULTANCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
None	-	-	-	-
VWHDC				
None	-	-	-	-

CONTINGENCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
Investigation 1	Completed	10	15	Chief Executive
VWHDC				
None	-	-	-	-

SYSTEM DEVELOPMENT

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None	-	-	-	-
SODC				
None	-	-	-	-
VWHDC				
None	-	-	-	-